

# **PLAINFIELD CHARTER TOWNSHIP**

**COUNTY OF KENT, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

***FOR THE YEAR ENDED DECEMBER 31,***

***2011***

**PLAINFIELD CHARTER TOWNSHIP**  
**COUNTY OF KENT, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*FOR THE YEAR ENDED DECEMBER 31, 2011*

*Prepared by: Accounting Department  
Plainfield Charter Township  
Belmont, Michigan*

# Plainfield Charter Township

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## **INTRODUCTORY SECTION**



"Rolling Plains and Beautiful Fields"

## **PLAINFIELD CHARTER TOWNSHIP**

May 31, 2012

### **Members of the Board of Trustees and Citizens of Plainfield Charter Township:**

With this letter we are submitting the Comprehensive Annual Financial Report (CAFR) of Plainfield Charter Township for fiscal year 2011, ending December 31, 2011. Plainfield Township is responsible for both the accuracy of the data contained in this report, as well as the complete and fair presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and the data are reported in a manner that is designed to fairly present the financial positions and results of the operations of the various funds and component units of Plainfield Township. We have included all disclosures that the reader needs to understand the Township's financial activities.

The CAFR includes all funds of Plainfield Township, as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The Comstock Park Downtown Development Authority and the Plainfield Avenue Corridor Improvement Authority are component units, whose financial reports are discretely presented in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and changes in financial position from those of Plainfield Township.

State law mandates that Plainfield Township provide certain governmental functions, such as assessing property, collecting and distributing taxes to various local government entities, and conducting elections. Other services provided are: planning and zoning, building permits and inspections, administration and maintenance of two cemeteries, parks and recreation, public water and sewer systems, fire protection and emergency medical services, and the operation and maintenance of several Township-owned buildings. Through its representative, Plainfield Township participates as a member of the North Kent Sewer Authority (NKSA) with four other municipalities. The Authority is a distinct and separate unit of government, having its own financial reporting requirements. The Township is responsible, through its Sewer Enterprise Fund, for paying its obligatory share of the Authority's debt service and operational costs. This share is based on the current metered flow of wastewater from the Township's collection system compared to the metered flow of all of the participating communities. Over the past several years, Plainfield Township worked with its NKSA partner communities to design, build, and

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Rapids system. We refer to this facility as a “Clean Water Plant” (CWP) because the level of treatment does not degrade the waters of the Grand River. After years of negotiating and planning, the NKSA decided in 2005 to build the CWP rather than enter into a new contract with the City of Grand Rapids for wastewater treatment. Site preparation began near the end of 2005, and construction ended near the end of 2008. The CWP went on-line near the end of 2008. 2009 was the first full year of operations for the CWP.

Customers of Plainfield Charter Township’s Sewer System have seen significant increases in their rates attributable to the construction of the new CWP. These increased costs to NKSA customers would have begun as early as 1999 had the NKSA communities accepted the new contract offered by the City of Grand Rapids. Detailed analysis of the actual costs that have been incurred by the municipalities that have “partnered” with the City of Grand Rapids over the last ten years and calculations of the costs avoided by the NKSA communities demonstrate an aggregate savings of over \$10,000,000 to our customers over that period of time. Even though there have been significant increases in the rates to Plainfield Township’s sewer customers, residential customers are paying less than City of Grand Rapids residential sewer users and also are paying significantly less than customers in the City of Grand Rapids “Partner” communities.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management’s discussion & analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

## **Government Structure, Local Economic Condition and Outlook**

Plainfield Township was established in 1838 as a township, and in 1978 became a charter township by resolution of the Township Board. A Superintendent, serving at the pleasure of the seven-member Board of Trustees, provides the day-to-day management of Plainfield Charter Township. The Township Treasurer and Township Clerk also serve as full-time administrators, executing the statutory duties of their offices. Encompassing an area of 36 square miles, Plainfield Township has a 2010 Census population of 30,952. The Township’s Total Taxable Value for 2011 is \$1,149,738,607. 73% of this is residential, 23% is commercial, and 4% is other.

Building permits have averaged 360 annually for the past five years. The number of building permits issued in 2011 was 322. The value of the new construction represented by those permits has fallen from approximately \$39,900,000 in 2007 to \$21,200,000 in 2011.

The property tax base is very diversified, with the ten largest property tax payers comprising only 6.3% of the total. There is a wide variety of housing choices available for all income levels. Plainfield Township is the home of the West Michigan Whitecaps Baseball organization, whose stadium is located adjacent to US 131 in the Comstock Park area of the Township.

Plainfield Avenue has been a growing and developing commercial corridor for the past 45 years. Prior to the economic slowdown, a significant number of older buildings and vacant parcels were being torn down or developed as new commercial uses. We hope that this redevelopment of the Plainfield Avenue Corridor will resume as local and regional business enterprises recognize the profitability of serving the market area of Plainfield Township and adjacent communities. In 2006, the Plainfield Charter Township Board established the Plainfield Avenue Corridor Improvement Authority (PACIA) in conjunction with Grand Rapids Township for the purpose of enhancing redevelopment of the corridor and maintaining its viability. The PACIA received revenue for the first year in 2008. Revenues in 2008 through 2011 amounted to \$113,951. Revenues in 2012 are expected to be about \$23,000.

In spite of what we are experiencing in our economy, felt most strongly in the building sector, Plainfield Township remains a desirable place for businesses and residents. The water and sewer infrastructure in Plainfield Township have been expanded and improved over the past decade to provide for anticipated growth. The Township's low property tax rate and the quality of the schools in the area also make Plainfield Township attractive for new residents and new businesses.

## **Financial Information**

Management of Plainfield Township is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable (but not absolute) assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

- **Budgetary Controls**

The Township maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board. Activities of the General Fund, Special Revenue Funds, and Enterprise Funds, as well as the activities of the DDA and PACIA, are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) for fiscal year 2011 was the "functional level" within each fund; however, management requires tighter budgetary awareness and attention from department managers down to the line item level. Unexpended appropriations lapse at year-end, but funding appropriated, but not spent, for committed capital projects is typically re-appropriated in the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, Plainfield Township continues to meet its responsibility for sound financial management.

- **Financial Policies**

During 2011, Plainfield Charter Township continued practicing sound financial decisions by exercising tighter spending controls and examining areas that will, or could, result in cost savings. Examples include:

- Financing water system projects with Drinking Water Revolving Funds (DWRF) at a very low interest rate and reduced through principal forgiveness.
- Eliminated the majority of capital spending unless absolute need requires it.
- Board approval required for out-of-town travel.
- Pay increases have been frozen for three years (2010, 2011, and 2012).
- Increased cost sharing for health insurance from no employee contribution in 2009 to progressive increased contributions to 20% in 2014.
- Implement new Retirement Health Savings (RHS) plan to replace retirement health insurance plan for current non-bargaining employees and no employer contributions for new employees hired after 2010.

Most of these changes resulted in immediate financial improvement and will carry cost savings forward to future years as well. The revised retirement benefits had a financial impact in 2011, but the changes will significantly reduce future years' liabilities and costs.

- **Long-term Financial Planning**

Being in close proximity to the City of Grand Rapids is a benefit to the citizens of Plainfield Charter Township. Proximity to Grand Rapids' cultural, health care, higher education, and other institutions is only one of many reasons for the attraction of Plainfield Charter Township. Our community also benefits from three very prominent school systems, a wide range of homes and neighborhoods, rivers and streams, a popular minor league professional baseball stadium, several golf courses, nearby entertainment and shopping areas, many natural, pristine, and wooded areas, and miles of river valleys along the Grand and the Rogue rivers. We still have substantial growth potential that would allow our tax base to grow when the economy recovers. With our current tax rate at 3.29 mils, which is substantially lower than the allowable maximum of 4.1772 mils, there is some room to generate the revenue needed to sustain operations during the current pause in our economy's growth.

The largest portion of our General Fund expenditures is our fire department. The majority of these expenses increase each year by a percentage very close to the inflation rate. The fire department expense that typically has greater fluctuations is Capital Outlay for equipment replacement. Several years ago, our fire chief created a long-range equipment replacement plan that extends out 20 years, providing accurate data to plan for the best way to finance these equipment replacement needs. Management has recommended, and continues to recommend, that a dedicated source of funding, perhaps a special purpose property tax millage, be considered for these predictable and quantifiable recurring needs.

Several years ago, after borrowing \$5 million for a number of important capital improvements, Plainfield Charter Township implemented a water rate increase that was used to pay for this borrowing, the anticipated routine costs of operation and maintenance, and generate enough money to cover planned system expansion and improvement projects for about 5 years on a pay-as-you-go basis. Significant progress in upgrading our water system was made during those years, but a different approach to implementing the system's capital improvements plan is now being used. To avoid inevitable large increases in water rates, the Township Board approved annual 2.9% rate increases to our water commodity and base fees beginning in 2009. However, due to the reduction in revenue from connection fees that have been used to help pay for capital improvements on a pay-as-you-go basis, we are now using low-interest loans through the State of Michigan's Drinking Water Revolving Fund, supplemented by federal stimulus money in order to continue with our planned capital projects, whose construction began in 2011. These improvements will help Plainfield Township to deal more effectively with long term capital improvement planning.

In 2008, with the completion of a new, state-of-the-art wastewater treatment plant by the North Kent Sewer Authority (NKSA), Plainfield Charter Township enacted a series of significant sewer rate increases to pay for significantly increased annual bond costs. Over the past 7 years, there have been significant improvements made to our sewer collection system, which were paid out of cash reserves. We have additional sewer capital improvement projects that will be under way in 2012 that will be financed using Sewer Revolving Funds (SRF), similar to what we are doing for the Water Fund projects. We have recently been awarded low interest loans and federal [economic] "stimulus" money to move forward with these projects in 2012.

Major water capital improvement projects completed in 2011 and sewer capital improvement projects to be completed 2012, are anticipated to stabilize both systems and achieve critical needs for many years. Until large projects are required in the future, we will fund smaller projects with cash reserves.

Over the last five years Plainfield Charter Township's unreserved, undesignated fund balance in the General Fund has averaged 25 percent of total general fund expenditures. This gives us the flexibility to manage unplanned expenses, deal with lowered state shared revenue and property tax revenue, and manage cash flow needs. Appropriate layoffs and staff reductions by attrition have been made in recent years and may continue to the extent necessary and feasible.

The Township's consistently conservative approach to local government services and taxes has enabled us to manage in a severe economic downturn in Michigan. Plainfield Township will endeavor to maintain enough flexibility and reserves in its major funds to handle necessary capital improvement and replacement expenditures. Our bond rating from Standard & Poor's was upgraded three years ago from "A+" to "AAa."

- **Independent Audit Requirements**

State statutes (MCL 141.425) require financial records, accounts and procedures to be audited annually by a certified public accountant selected by the Township or by the state treasurer if the Township fails to do so. The accounting firm of Vredeveld Haefner LLC was selected by Plainfield Township to perform the audit for the fiscal year of 2011. The auditor's report on the basic financial statements and combining and individual funds statements and schedules are included in the financial section of this report.

- **Governmental Accounting Standards Board – Statement No. 34**

The Governmental Accounting Standards Board (GASB), Statement Number 34, has completely revised how state and local governments report their finances to the public. The Township's accounting staff has prepared financial statements that have been fully compliant since fiscal year 2002.

One of the main differences between our previous years' financial statements and the new GASB 34 compliant financial statements is the emphasis on the economic cost of delivering services to our citizens. Measuring the cost-benefit relationships of government activities has been difficult in the past. These new statements provide our elected and appointed officials useful information to make efficient and effective use of taxpayer dollars and give the readers of our statements better ability to evaluate how we are doing.

- **Governmental Accounting Standards Board – Statement No. 45**

For our 2008 financial reports, Plainfield Township implemented Statement No. 45 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions). In connection with that accounting standard, the Net Other Post Employment Benefit Obligation (NOPEBO) included in the Township's liabilities represents the amount of contributions that the Township was required to make, but did not make. The NOPEBO at the end of 2011 was \$1,540,653. The Township made significant changes to the retiree health insurance benefit for its 18 current non-union employees that went into effect in 2011. These changes will greatly reduce our OPEB liabilities and obligations. These same changes are being negotiated with the two union groups in 2012. The new plan establishes a defined contribution plan for all future service of current employees and authorized structured payments to a Retiree Health Savings Account (RHSA) for past service. More details regarding Other Post Employment Benefits (OPEB) can be found in Note No. 7, under Notes to the Financial Statements.

- **Governmental Accounting Standards Board – Statement No. 54**

For our 2011 financial reports, Plainfield Township implemented Statement No. 54 of the Governmental Accounting Standards Board (Fund Balance Reporting and Governmental Fund Type Definitions). The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In connection with that accounting standard, our Fund Balances are now being reported as one of the following types:

1. Non-spendable – such as inventories or prepaid expenditures.
2. Restricted – can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.
4. Assigned - are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned - the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

- **Awards**

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plainfield Charter Township for its comprehensive annual financial report for the fiscal year ended December 31, 2010. Plainfield Charter Township is one of only seven townships in Michigan that achieved this for fiscal year 2009. This was the tenth consecutive year that Plainfield Township has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

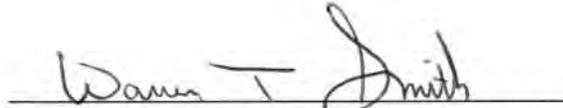
A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

- **Acknowledgements**

The preparation of these statements could not have been accomplished without the efficient and dedicated services of the entire staff of Plainfield Township. We extend our recognition and appreciation especially to those employees and officials who directly assisted in the preparation of these statements. The Township Board supports the Accounting Department by encouraging continued diligence and by providing the resources needed to prepare accurate financial statements.

Respectfully,

  
Robert C. Homan, Township Superintendent

  
Warren T. Smith, CMA, Accounting Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Plainfield Charter Township  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

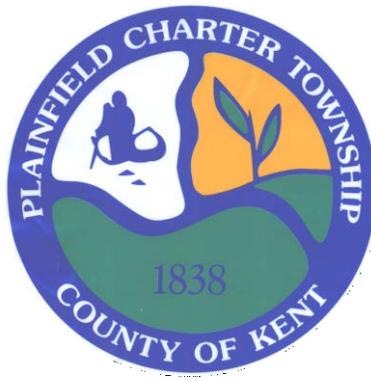


*Linda C. Danison*

President

*Jeffrey R. Enser*

Executive Director



## Plainfield Charter Township Board of Trustees

### Supervisor

George K. Meek

### Clerk

K. Scott Harvey

### Treasurer

James W. Stover

### Trustees

Cathy Bottema

Charles E. Weldon

Victor M. Mathews

Jack Hagedorn

## Township Superintendent

Robert C. Homan

## Boards, Committees, Commissions

Board of Review

Building Board of Appeals

Comstock Park Downtown Development Authority

Planning Commission

Zoning Board of Appeals

Library Advisory Committee

Parks and Recreation Committee

Historical Advisory Committee

Public Safety Advisory Committee

Senior Citizens Advisory Committee

Budget & Finance Committee

Infrastructure Committee

Personnel Committee

Department Heads

Accounting Department

Warren Smith

Assessing Department

Judy La Fave

Clerk's Department

Scott K. Harvey

Manager's Department

Robert Homan

Community Development Department

William Fischer

Fire Department

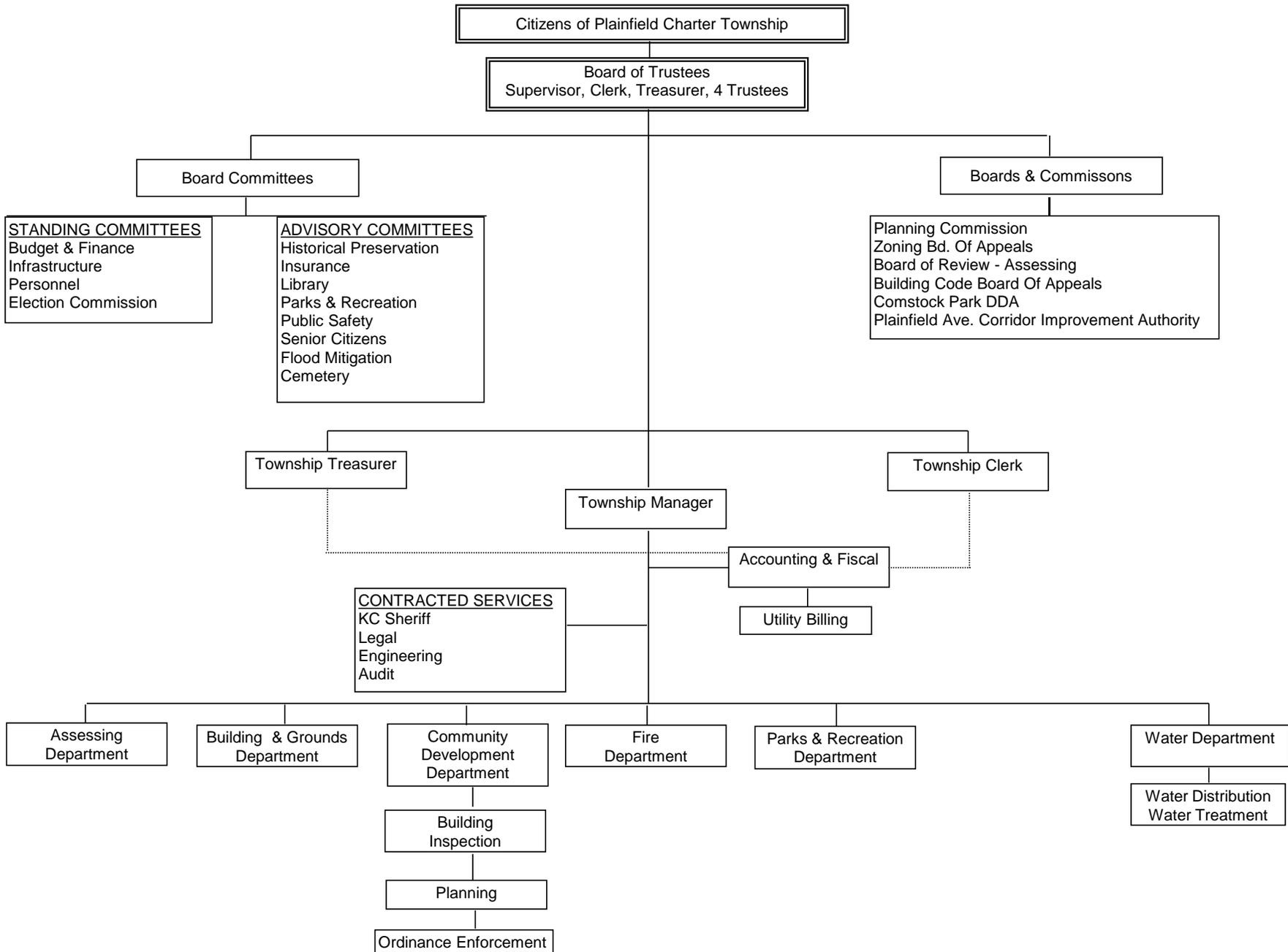
David Peterson

Treasurer's Department

James Stover

Water Department

Rick Solle



## **FINANCIAL SECTION**



*Vredeveld Haefner LLC*

CPA's and Consultants

4001 Granada Ct.

Grand Rapids, MI 49534

FAX (616) 828-0307

**Douglas J. Vredeveld, CPA**

**(616) 446-7474**

**Peter S. Haefner, CPA**

**(616) 460-9388**

## INDEPENDENT AUDITORS' REPORT

May 10, 2012

Members of the Board of Trustees  
Plainfield Charter Township  
Kent County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plainfield Charter Township Michigan, as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Plainfield Charter Township. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Plainfield Charter Township as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2012, on our consideration of Plainfield Charter Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and information on pages 43 and 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plainfield Charter Township's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Uredaxeld Haefner LLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2011**

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As management of *Plainfield Charter Township, Kent County, Michigan*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

**Financial Highlights**

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$68,563,394 (net assets). Of this amount, \$9,676,630 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$588,110.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$2,971,252, a decrease of \$191,683 in comparison with the prior year. Approximately 62% of the ending fund balance, or \$1,852,593, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,852,593, or 23 percent of total General Fund expenditures.
- The Township's total indebtedness increased by \$4,459,013 to a total of \$16,416,040 during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, culture and recreation, building inspection, community development, and operation of the community center. The business-type activities of the Township include water and sewer operations.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2011**

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The government-wide financial statements include not only Plainfield Township itself (known as the primary government), but also two legally separate authorities for which the Township is financially accountable, a Downtown Development Authority and Plainfield Avenue Corridor Improvement Authority. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the only major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget. Budgetary comparison schedules have been provided as required supplementary information to demonstrate compliance with those budgets.

**Proprietary funds.** The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its sewer and water system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the Township.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
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**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, which includes this management's discussion and analysis, general fund budget to actual comparison, and benefit plan information. This report also includes other supplementary information made up of combining and individual fund statements and schedules and statistical information.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Plainfield Charter Township, assets exceeded liabilities by \$68,563,394 at the close of the most recent fiscal year.

By far the largest portion of the Township's net assets (86 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Plainfield Charter Township's Net Assets**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 7,331,619	\$ 7,451,081	\$ 9,618,019	\$ 9,433,031	\$16,949,638	\$16,884,112
Capital assets	10,071,408	9,924,017	62,911,636	57,863,698	72,983,044	67,787,715
Total assets	<u>17,403,027</u>	<u>17,375,098</u>	<u>72,529,655</u>	<u>67,296,729</u>	<u>89,932,682</u>	<u>84,671,827</u>
Long-term liabilities outstanding	1,881,591	1,988,319	12,899,808	8,160,629	14,781,399	10,148,948
Other liabilities	4,867,006	4,815,117	1,720,883	1,732,478	6,587,889	6,547,595
Total liabilities	<u>6,748,597</u>	<u>6,803,436</u>	<u>14,620,691</u>	<u>9,893,107</u>	<u>21,369,288</u>	<u>16,696,543</u>
Net assets:						
Invested in capital assets, net of related debt	8,762,915	8,367,491	49,922,253	49,368,528	58,685,168	57,736,019
Restricted	14,263	13,894	187,333	755,121	201,596	769,015
Unrestricted	1,877,252	2,190,277	7,799,378	7,279,973	9,676,630	9,470,250
Total net assets	<u>\$10,654,430</u>	<u>\$10,571,662</u>	<u>\$57,908,964</u>	<u>\$57,403,622</u>	<u>\$68,563,394</u>	<u>\$67,975,284</u>

**PLAINFIELD CHARTER TOWNSHIP**  
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An additional portion of the Township's net assets (0.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (14 percent or \$9,676,630) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$588,110 during the current fiscal year.

**Plainfield Charter Township's Changes in Net Assets**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenue:						
Program revenue:						
Charges for services	\$1,469,268	\$1,463,523	\$9,316,815	\$8,871,556	\$10,786,083	\$10,335,079
Operating grants and contributions	121,953	295,325	-	16,152	121,953	311,477
Capital grants and contributions	691,220	52,602	303,270	665,179	994,490	717,781
General revenue:						
Property taxes	3,665,989	3,776,610	-	-	3,665,989	3,776,610
State sources	2,250,554	1,963,636	-	-	2,250,554	1,963,636
Other	32,568	40,752	107,740	128,907	140,308	169,659
Total revenue	<u>8,231,552</u>	<u>7,592,448</u>	<u>9,727,825</u>	<u>9,681,794</u>	<u>17,959,377</u>	<u>17,274,242</u>
Expenses:						
General government	3,610,149	3,067,553	-	-	3,610,149	3,067,553
Public safety	3,453,294	3,199,757	-	-	3,453,294	3,199,757
Public works	489,574	423,889	-	-	489,574	423,889
Parks and recreation	549,939	563,324	-	-	549,939	563,324
Interest on long-term debt	45,828	67,567	-	-	45,828	67,567
Sewer	-	-	4,318,730	4,472,602	4,318,730	4,472,602
Water	-	-	4,903,753	4,643,681	4,903,753	4,643,681
Total expenses	<u>8,148,784</u>	<u>7,322,090</u>	<u>9,222,483</u>	<u>9,116,283</u>	<u>17,371,267</u>	<u>16,438,373</u>
Change in net assets	82,768	270,358	505,342	565,511	588,110	835,869
Net assets - beginning of year	<u>10,571,662</u>	<u>10,301,304</u>	<u>57,403,622</u>	<u>56,838,111</u>	<u>67,975,284</u>	<u>67,139,415</u>
<b>Net assets - end of year</b>	<u>\$10,654,430</u>	<u>\$10,571,662</u>	<u>\$57,908,964</u>	<u>\$57,403,622</u>	<u>\$68,563,394</u>	<u>\$67,975,284</u>

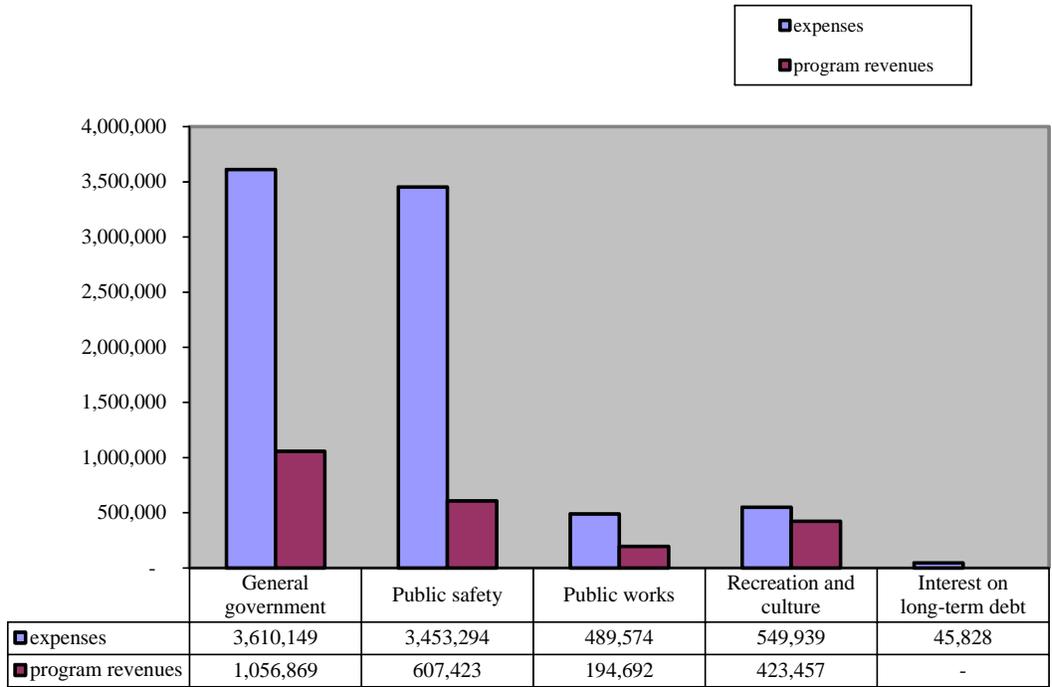
**Governmental activities.** Governmental activities increased the Township's net assets by \$82,768. Key elements of this increase are as follows:

- Decrease in revenue from property taxes of \$107,000, due to lower taxable values.
- Increase in revenue from grants of \$412,000. These were grants to acquire land for new park and FEMA grant to acquire houses in the flood plain.
- Increase in state shared revenue of \$286,000, due to an increase in state sales tax revenues and the Township's population increase.

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- Increase in other general government costs of \$300,000, due to acquisition of houses in the flood plain, mostly paid for with grant funds.
- Decrease in public safety costs of \$253,000, mostly due to a decrease in capital outlay spending.
- Increase in parks department costs of \$567,000, due to the purchase of land for a new park. 65% was paid from a grant and the balance from our Public Improvement Fund.
- Increase in retirement costs of \$317,000, due to payout for new retirement plan that will eliminate OPEB liability for non-bargaining employees.

**Expenses and Program Revenues - Governmental Activities**



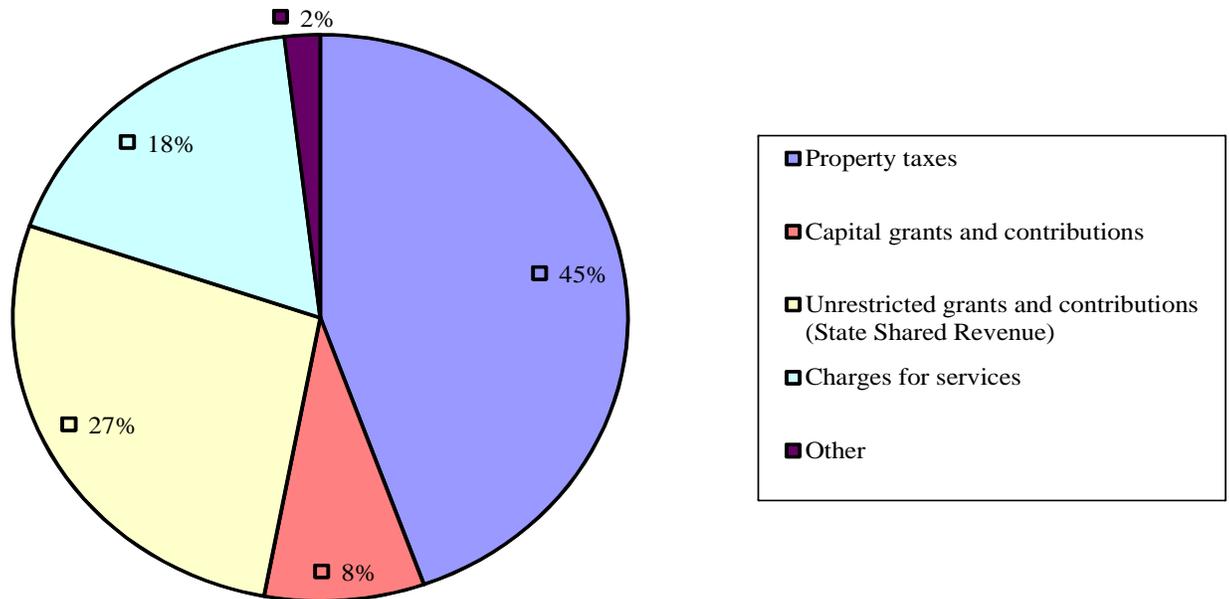
**PLAINFIELD CHARTER TOWNSHIP**  
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**Revenues by Source - Governmental Activities**

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**Revenues by Source - Governmental Activities**



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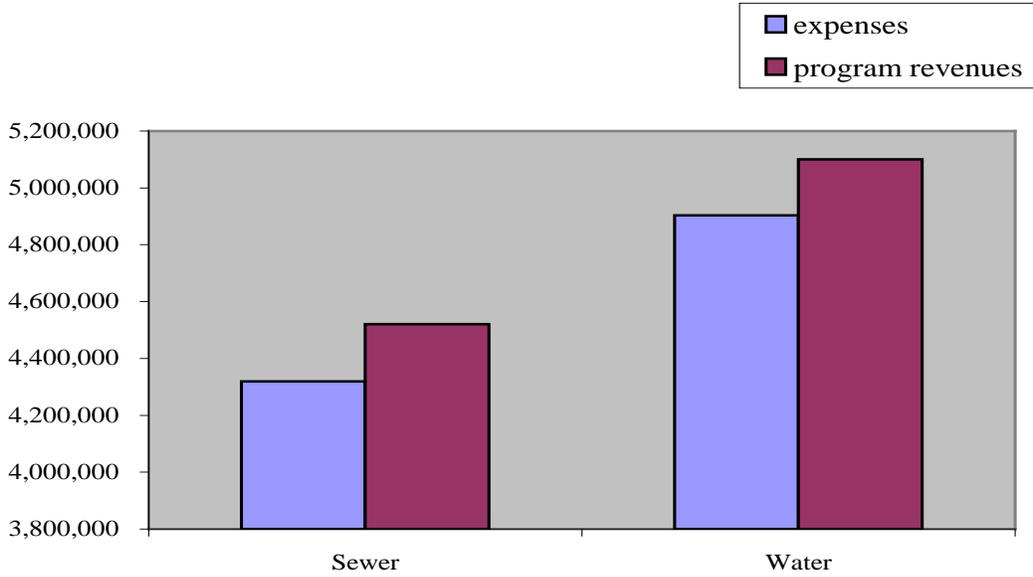
**Business-type activities.** Business-type activities increased the Township's net assets by \$505,342. Operating revenues in the Sewer Fund increased by \$416,526 from 2010, and operating revenues in the Water Fund increased by \$27,161 from 2010. There was a decrease of \$37,787 in connection charges in the Sewer Fund and a decrease of \$324,122 in the Water Fund from 2010. Sewer Fund expenses were down \$142,030 from 2010 and Water Fund expenses were up \$291,977 from 2010. Key elements of these changes are as follows:

- Sewer base fee and commodity fee revenue was up \$410,000, due to a 10% rate increase.
- Sewer system operation and maintenance expenses decreased by \$145,000 from 2010.
- Water system connection revenues were down \$324,122 from 2010, due to a mobile home park connecting to our water system in 2010.
- Water Fund personnel costs were decreased by \$94,000 from 2010, due to reduction in personnel.
- Water bond interest expense decreased by \$44,000 from 2010, due to reduced principal balances outstanding.
- Water Fund retirement costs increased by \$329,000, due to payout for new retirement plan that will eliminate OPEB liability for non-bargaining employees.

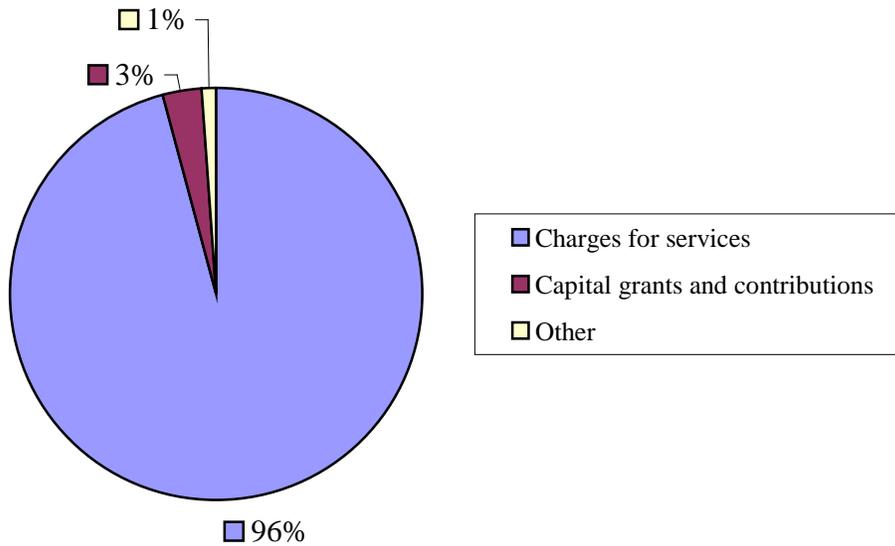
**PLAINFIELD CHARTER TOWNSHIP**  
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**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2011**

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**Financial Analysis of the Government's Funds**

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spend able* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$2,971,252, a decrease of \$191,683 in comparison with the prior year. Approximately 62% (\$1.85 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it has specific criteria which must be met before it can be expended.

The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,852,593, while total fund balance was \$2,511,526. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23 percent of total General Fund expenditures.

The fund balance of the Township's General Fund increased by \$17,770 in 2011 compared to an increase of \$62,649 in 2010. The budgeted decrease in fund balance of \$287,399 did not materialize due to unspent hazard mitigation grant budget of \$109,000, unspent employee costs of \$45,000, unspent contracted services of \$38,000, unspent consulting budget of \$28,000, unspent road and sidewalk construction of \$20,000, unspent transportation and education costs of \$20,000, unspent transfers out to other funds of \$14,000, unspent general insurance of \$12,000, unspent utilities of \$11,000, unspent office supplies of \$7,000, and unbudgeted special assessment revenue received of \$6,000.

*Proprietary funds.* The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer and Water Funds at the end of the year amounted to \$5,323,083 and \$2,330,197, respectively. The Sewer Fund had an increase in net assets for the year of \$285,570, and the Water Fund had an increase of \$219,772. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

**General Fund Budgetary Highlights**

During the year, General fund budget to actual comparisons were generally favorable.

The significant budget modifications during the year were as follows:

1. Increase FEMA Hazard Mitigation Grant revenue by \$400,000 due to notification of grant award.
2. Increase State Shared Revenue by \$189,000 due to distributions from State being higher with improved economy.
3. Increase Hazard Mitigation Grant expense by \$409,000 due to corresponding revenue from grant award.

**PLAINFIELD CHARTER TOWNSHIP**  
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**Capital Asset and Debt Administration**

**Capital assets.** The Township's investment in capital assets for its governmental and business type activities as of December 31, 2011, amounted to \$72,983,044 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, systems, improvements, machinery and equipment, and park facilities.

Major capital asset events during the current fiscal year included the following:

- Purchase property for new park for \$605,000.
- Sewer lift station improvements for \$151,000.
- Five Mile Road control valve station upgrade for \$249,000.
- 20" Plainfield Ave. parallel watermain project for \$515,000.
- Coit Ave. 20" watermain loop for \$831,000.
- Bailey Park Grand River watermain crossing for \$1,326,000.
- Westgate watermain replacement project for \$1,482,000.
- Water storage tank at water treatment plant for \$1,917,000.

Major capital asset events planned for fiscal year 2012 include the following:

- Complete water storage tank for \$167,000.
- Rehabilitate Scott Creek trunk sewer for \$445,000.
- Rehabilitate Spruce Hollow and Balsam sewer lift stations for \$628,000.
- Coit Ave. sewer extension for \$866,000.
- Rehabilitate Northland Dr. and Belmont Ave. sewer lift stations for \$1,379,000.

**Plainfield Charter Township's Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 2,294,238	\$ 708,300	\$ 3,002,538
Construction in Progress	-	6,926,722	6,926,722
Buildings and Improvements	6,998,204	10,172,796	17,171,000
Machinery and Equipment	778,966	2,137,502	2,916,468
Utility Systems	-	42,966,316	42,966,316
<b>Total</b>	<b>\$ 10,071,408</b>	<b>\$ 62,911,636</b>	<b>\$ 72,983,044</b>

Additional information on the Township's capital assets can be found in Note 4 of this report.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2011**

**Long-term debt.** At the end of the current fiscal year, the Township had total long-term debt outstanding of \$16,416,040. Of this amount, \$983,842 comprises debt backed by the full faith and credit of the government. The remainder (\$15,432,198) represents bonds secured by specified revenue sources (i.e., revenue bonds) in the amount of \$13,169,087, retirement health notes of \$470,753, post employment benefits in the amount of \$1,540,653 and other accrued employee benefits in the amount of \$251,705.

**Plainfield Charter Township's Outstanding Debt**

	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
General obligation bonds	\$ 910,000	\$ —	\$ 910,000
Revenue bonds	—	13,169,087	13,169,087
Installment purchase agreements	73,842	—	73,842
Retirement health notes	324,651	146,102	470,753
Capital lease	—	—	—
Post employment benefits liability	965,687	574,966	1,540,653
Accumulated sick and vacation pay	162,325	89,380	251,705
<b>Total</b>	<b>\$ 2,436,505</b>	<b>\$ 13,979,535</b>	<b>\$ 16,416,040</b>

The Township's total debt increased by \$4,459,013 during the current fiscal year. This increase includes an increase of \$470,753 due to recognizing the future payout for the new retirement plan for non-bargaining employees.

The Township's water bonds has an "AA-" rating from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$121,006,390, which is approximately twenty-seven times more than the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in Note 5 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Township's budget for the 2012 fiscal year:

Governmental Activities:

- State Shared revenue is budgeted to be higher by \$130,000, an increase of 6.6%.
- Grant revenue from the Michigan Rec & Park Foundation down \$406,000. This was a one-time grant received in 2011 for land to use as a park.
- Transfers in from other funds is down \$250,000. This was a one-time transfer in 2011 to cover the portion of cost not covered by a grant for new park.
- Parks Department capital outlay budget is down \$651,000 because the 2011 budget included cost to purchase land for a new park.
- Employee retirement health savings is down \$339,000 because 2011 included a one-time payoff to non-bargaining employees in exchange for retirement health insurance.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2011**

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**Requests for Information**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Plainfield Charter Township, 6161 Belmont Ave. NE, Belmont, MI 49306.

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## **BASIC FINANCIAL STATEMENTS**

**PLAINFIELD CHARTER TOWNSHIP**

**STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Corridor Improvement Authority
<b>Assets</b>					
Cash and pooled investments	\$ 2,798,096	\$ 5,970,615	\$ 8,768,711	\$ 365,643	\$ 94,930
Receivables					
Taxes	3,528,510	-	3,528,510	67,538	7,766
Accounts	30,704	1,870,383	1,901,087	-	-
Due from other governments	816,102	185,739	1,001,841	-	-
Inventory	-	201,981	201,981	-	-
Prepaid items	103,967	56,531	160,498	2,367	-
<b>Total current assets</b>	<b>7,277,379</b>	<b>8,285,249</b>	<b>15,562,628</b>	<b>435,548</b>	<b>102,696</b>
Noncurrent assets					
Restricted cash	-	215,000	215,000	-	-
Special assessment receivable	54,240	791,964	846,204	-	-
Unamortized bond issue costs	-	325,806	325,806	-	-
Capital assets:					
Non-depreciable	2,294,238	7,635,022	9,929,260	-	-
Depreciable capital assets, net	7,777,170	55,276,614	63,053,784	904,614	-
<b>Total noncurrent assets</b>	<b>10,125,648</b>	<b>64,244,406</b>	<b>74,370,054</b>	<b>904,614</b>	<b>-</b>
<b>Total assets</b>	<b>17,403,027</b>	<b>72,529,655</b>	<b>89,932,682</b>	<b>1,340,162</b>	<b>102,696</b>
<b>Liabilities</b>					
Accounts payable	280,904	608,424	889,328	1,358	-
Accrued payroll and benefits	104,474	-	104,474	-	-
Accrued interest payable	6,639	32,732	39,371	-	-
Unearned revenue	3,920,075	-	3,920,075	67,538	7,766
Current portion of bonds and notes	554,914	1,079,727	1,634,641	-	-
<b>Total current liabilities</b>	<b>4,867,006</b>	<b>1,720,883</b>	<b>6,587,889</b>	<b>68,896</b>	<b>7,766</b>
Long-term liabilities					
Post employment benefits	965,687	574,966	1,540,653	-	-
Compensated absences	162,325	89,380	251,705	-	-
Bonds and notes payable	1,308,493	13,315,189	14,623,682	-	-
Less current portion	(554,914)	(1,079,727)	(1,634,641)	-	-
<b>Total long-term liabilities</b>	<b>1,881,591</b>	<b>12,899,808</b>	<b>14,781,399</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,748,597</b>	<b>14,620,691</b>	<b>21,369,288</b>	<b>68,896</b>	<b>7,766</b>
<b>Net assets</b>					
Invested in capital assets, net of related debt	8,762,915	49,922,253	58,685,168	904,614	-
Restricted for					
Debt service	-	187,333	187,333	-	-
Building department	1,035	-	1,035	-	-
Lighting district	386	-	386	-	-
Lake improvement	12,842	-	12,842	-	-
Unrestricted	1,877,252	7,799,378	9,676,630	366,652	94,930
<b>Total net assets</b>	<b>\$ 10,654,430</b>	<b>\$ 57,908,964</b>	<b>\$ 68,563,394</b>	<b>\$ 1,271,266</b>	<b>\$ 94,930</b>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary government</b>					
Governmental activities					
General government	\$ 3,610,149	\$ 1,055,019	\$ 1,850	\$ -	\$ (2,553,280)
Public safety	3,453,294	200,153	120,103	287,167	(2,845,871)
Public works	489,574	169,821	-	24,871	(294,882)
Culture and recreation	549,939	44,275	-	379,182	(126,482)
Interest on long-term debt	45,828	-	-	-	(45,828)
	<u>8,148,784</u>	<u>1,469,268</u>	<u>121,953</u>	<u>691,220</u>	<u>(5,866,343)</u>
Total governmental activities					
Business-type activities					
Sewer	4,318,730	4,416,348	-	103,863	201,481
Water	4,903,753	4,900,467	-	199,407	196,121
	<u>9,222,483</u>	<u>9,316,815</u>	<u>-</u>	<u>303,270</u>	<u>397,602</u>
Total business-type activities					
<b>Total primary government</b>	<u>\$ 17,371,267</u>	<u>\$ 10,786,083</u>	<u>\$ 121,953</u>	<u>\$ 994,490</u>	<u>\$ (5,468,741)</u>
<b>Component units</b>					
Downtown Development Authority	\$ 113,225	\$ -	\$ -	\$ -	\$ (113,225)
Corridor Improvement Authority	500	-	-	-	(500)
	<u>113,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,725)</u>
<b>Total component units</b>	<u>\$ 113,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (113,725)</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Corridor Improvement Authority
<b>Changes in net assets</b>					
<b>Net (expense) revenue</b>	\$ (5,866,343)	\$ 397,602	\$ (5,468,741)	\$ (113,225)	\$ (500)
General revenues					
Property taxes	3,665,989	-	3,665,989	216,420	32,043
State shared revenues	2,250,554	-	2,250,554	-	-
Unrestricted investment earnings	30,098	107,740	137,838	724	323
Gain on sale of capital assets	2,470	-	2,470	-	-
Total general revenues	<u>5,949,111</u>	<u>107,740</u>	<u>6,056,851</u>	<u>217,144</u>	<u>32,366</u>
Change in net assets	82,768	505,342	588,110	103,919	31,866
<b>Net assets, beginning of year</b>	<u>10,571,662</u>	<u>57,403,622</u>	<u>67,975,284</u>	<u>1,167,347</u>	<u>63,064</u>
<b>Net assets, end of year</b>	<u>\$ 10,654,430</u>	<u>\$ 57,908,964</u>	<u>\$ 68,563,394</u>	<u>\$ 1,271,266</u>	<u>\$ 94,930</u>

(Concluded)

The accompanying notes are an integral part of these financial statements.

# PLAINFIELD CHARTER TOWNSHIP

## GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2011

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 2,295,354	\$ 502,742	\$ 2,798,096
Receivables			
Taxes	3,328,699	199,811	3,528,510
Accounts	30,630	-	30,630
Special assessments	40,078	14,162	54,240
Due from other funds	74	-	74
Due from other governments	816,102	-	816,102
Prepaid items	103,146	821	103,967
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<b><u>\$ 6,614,083</u></b>	<b><u>\$ 717,536</u></b>	<b><u>\$ 7,331,619</u></b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 256,123	\$ 24,781	\$ 280,904
Accrued payroll and benefits	104,474	-	104,474
Deferred revenue	3,741,960	233,029	3,974,989
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<b><u>4,102,557</u></b>	<b><u>257,810</u></b>	<b><u>4,360,367</u></b>
<b>Fund balances</b>			
Non-spendable			
Prepaid items	103,146	821	103,967
Restricted			
Building department	-	1,035	1,035
Lighting district	-	386	386
Lake improvement	-	12,842	12,842
Committed			
Special assessment projects	434,814	-	434,814
Retiree health insurance	44,000	-	44,000
Fire department	1,594	-	1,594
Assigned			
Capital projects	-	262,297	262,297
Stormwater management	-	182,345	182,345
Future years expenditures	75,379	-	75,379
Unassigned	1,852,593	-	1,852,593
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<b><u>2,511,526</u></b>	<b><u>459,726</u></b>	<b><u>2,971,252</u></b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 6,614,083</u></b>	<b><u>\$ 717,536</u></b>	<b><u>\$ 7,331,619</u></b>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF  
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

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<b>Fund balances - total governmental funds</b>	<b>\$ 2,971,252</b>
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	2,294,238
Add - capital assets (net of accumulated depreciation)	7,777,170
Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.	
Add - special assessments deferred receivable	54,914
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - post employment benefits	(965,687)
Deduct - compensated absences payable	(162,325)
Deduct - bonds and notes payable	(1,308,493)
Deduct - accrued interest payable	<u>(6,639)</u>
<b>Net assets of governmental activities</b>	<b><u>\$ 10,654,430</u></b>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>			
Taxes	\$ 3,665,795	\$ -	\$ 3,665,795
Licenses and permits	444,813	-	444,813
Federal	407,270	-	407,270
State	2,629,736	-	2,629,736
Charges for services	232,329	200,153	432,482
Fines	3,528	-	3,528
Investment earnings	29,014	4,435	33,449
Miscellaneous	<u>469,528</u>	<u>169,821</u>	<u>639,349</u>
<b>Total revenues</b>	<u>7,882,013</u>	<u>374,409</u>	<u>8,256,422</u>
<b>Expenditures</b>			
Current			
General government	3,229,174	-	3,229,174
Public safety	2,880,199	213,297	3,093,496
Public works	210,578	281,465	492,043
Culture and recreation	1,010,510	-	1,010,510
Debt service			
Principal	572,684	-	572,684
Interest	<u>50,198</u>	<u>-</u>	<u>50,198</u>
<b>Total expenditures</b>	<u>7,953,343</u>	<u>494,762</u>	<u>8,448,105</u>
Revenues over (under) expenditures	<u>(71,330)</u>	<u>(120,353)</u>	<u>(191,683)</u>
Other financing sources (uses)			
Transfers in	206,600	117,500	324,100
Transfers out	<u>(117,500)</u>	<u>(206,600)</u>	<u>(324,100)</u>
Total other financing sources (uses)	<u>89,100</u>	<u>(89,100)</u>	<u>-</u>
Net changes in fund balances	17,770	(209,453)	(191,683)
<b>Fund balances, beginning of year</b>	<u>2,493,756</u>	<u>669,179</u>	<u>3,162,935</u>
<b>Fund balances, end of year</b>	<u>\$ 2,511,526</u>	<u>\$ 459,726</u>	<u>\$ 2,971,252</u>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ (191,683)</b>
 Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	723,184
Deduct - depreciation expense	(575,793)
 Special assessments receivable are long-term in nature and are collectable over several years. However the current receipts are reflected as revenues on the fund statements.	
Deduct - special assessment receipts	(24,870)
 Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Deduct - long-term note issued	(324,651)
Add - principal payments on debt	572,684
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Deduct - increase in post employment benefits payable	(94,209)
Deduct - increase in compensated absences payable	(6,264)
Add - decrease in accrued interest	4,370
	4,370
<b>Change in net assets of governmental activities</b>	<b>\$ 82,768</b>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

<b>Assets</b>	<b>Enterprise Funds</b>		
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
Current assets			
Cash and pooled investments	\$ 3,644,249	\$ 2,326,366	\$ 5,970,615
Receivables			
Accounts receivable	1,144,664	725,719	1,870,383
Accrued interest receivable			
Due from other governments	3,123	182,616	185,739
Inventory	-	201,981	201,981
Prepaid and other assets	6,355	50,176	56,531
<b>Total current assets</b>	<b>4,798,391</b>	<b>3,486,858</b>	<b>8,285,249</b>
Noncurrent assets			
Restricted cash	-	215,000	215,000
Special assessments receivable	750,946	41,018	791,964
Unamortized bond costs	-	325,806	325,806
Property, plant and equipment-net of accumulated depreciation	18,153,816	44,757,820	62,911,636
<b>Total noncurrent assets</b>	<b>18,904,762</b>	<b>45,339,644</b>	<b>64,244,406</b>
<b>Total assets</b>	<b>23,703,153</b>	<b>48,826,502</b>	<b>72,529,655</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	221,189	387,235	608,424
Accrued interest payable	5,065	27,667	32,732
Current portion of bonds and notes	193,493	886,234	1,079,727
<b>Total current liabilities</b>	<b>419,747</b>	<b>1,301,136</b>	<b>1,720,883</b>
Long-term liabilities			
Post employment benefits	-	574,966	574,966
Compensated absences	-	89,380	89,380
Bonds and notes payable	1,652,423	11,662,766	13,315,189
Less current portion of bonds and notes	(193,493)	(886,234)	(1,079,727)
<b>Total long-term liabilities</b>	<b>1,458,930</b>	<b>11,440,878</b>	<b>12,899,808</b>
<b>Total liabilities</b>	<b>1,878,677</b>	<b>12,742,014</b>	<b>14,620,691</b>
<b>Net assets</b>			
Investment in capital assets, net of related debt	16,501,393	33,420,860	49,922,253
Restricted for debt service	-	187,333	187,333
Unrestricted	5,323,083	2,476,295	7,799,378
<b>Total net assets</b>	<b>\$ 21,824,476</b>	<b>\$ 36,084,488</b>	<b>\$ 57,908,964</b>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
<b>Operating revenue</b>			
Charges for services			
Water sales	\$ -	\$ 4,225,683	\$ 4,225,683
Sewage disposal services	4,326,839	-	4,326,839
Debt services charges	-	6,108	6,108
Penalties	89,487	79,233	168,720
	<u>4,416,326</u>	<u>4,311,024</u>	<u>8,727,350</u>
Total charges for services			
Hydrant maintenance charges	-	510,304	510,304
Other revenue	22	36,942	36,964
	<u>4,416,348</u>	<u>4,858,270</u>	<u>9,274,618</u>
<b>Total operating revenue</b>			
<b>Operating expense</b>			
Administration	-	1,174,053	1,174,053
Plant operations and maintenance	-	1,329,126	1,329,126
Distribution operations and maintenance	3,846,237	757,292	4,603,529
Depreciation	411,300	1,311,204	1,722,504
	<u>4,257,537</u>	<u>4,571,675</u>	<u>8,829,212</u>
<b>Total operating expense</b>			
Operating income (loss)	<u>158,811</u>	<u>286,595</u>	<u>445,406</u>
Non-operating revenue (expense)			
Investment earnings	84,089	23,651	107,740
Gain on sale of capital assets	-	-	-
Other non-operating revenue	-	42,197	42,197
Amortization of bond costs	-	(92,172)	(92,172)
Interest expense	(61,193)	(239,906)	(301,099)
	<u>22,896</u>	<u>(266,230)</u>	<u>(243,334)</u>
Total non-operating revenue (expense)			
Income (loss) before transfers and capital contributions	181,707	20,365	202,072
Connection charges and contributions	<u>103,863</u>	<u>199,407</u>	<u>303,270</u>
Changes in net assets	285,570	219,772	505,342
<b>Net assets, beginning of year</b>	<u>21,538,906</u>	<u>35,864,716</u>	<u>57,403,622</u>
<b>Net assets, end of year</b>	<u>\$ 21,824,476</u>	<u>\$ 36,084,488</u>	<u>\$ 57,908,964</u>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 4,223,133	\$ 4,712,143	\$ 8,935,276
Other revenue	-	42,197	42,197
Payments to employees	-	(1,418,014)	(1,418,014)
Payments to suppliers	<u>(3,901,141)</u>	<u>(1,532,698)</u>	<u>(5,433,839)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>321,992</u>	<u>1,803,628</u>	<u>2,125,620</u>
<b>Cash flows from capital and related financing activities</b>			
Connection charges and contributions	103,863	199,407	303,270
Special assessments collected	113,714	57,516	171,230
Bond proceeds	-	7,497,766	7,497,766
Principal paid on bonds	(217,632)	(2,810,000)	(3,027,632)
Interest paid on bonds	(68,898)	(256,454)	(325,352)
Bond costs	-	(68,094)	(68,094)
Proceeds from sale of capital assets	-	-	-
Acquisition of capital assets	<u>(392,567)</u>	<u>(6,377,874)</u>	<u>(6,770,441)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(461,520)</u>	<u>(1,757,733)</u>	<u>(2,219,253)</u>
<b>Cash flows from investing activities</b>			
Interest income	<u>84,089</u>	<u>23,651</u>	<u>107,740</u>
<b>Net cash provided by (used in) investing activities</b>	<u>84,089</u>	<u>23,651</u>	<u>107,740</u>
Net increase (decrease) in cash and pooled investments	(55,439)	69,546	14,107
<b>Cash and pooled investments, beginning of year</b>	<u>3,699,688</u>	<u>2,471,820</u>	<u>6,171,508</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 3,644,249</u>	<u>\$ 2,541,366</u>	<u>\$ 6,185,615</u>
<b>Cash flows from operating activities</b>			
Operating income (loss)	\$ 158,811	\$ 286,595	\$ 445,406
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	411,300	1,311,204	1,722,504
Other non-operating revenue	-	42,197	42,197
Change in operating assets and liabilities which provided (used) cash			
Accounts receivable	(193,215)	(146,127)	(339,342)
Inventory	-	(4,517)	(4,517)
Prepaid and other assets	(6,355)	(15,976)	(22,331)
Accounts payable	(48,549)	193,813	145,264
Post employment benefits payable	-	127,348	127,348
Compensated absences payable	-	9,091	9,091
Total Adjustments	163,181	1,517,033	1,680,214
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 321,992</u>	<u>\$ 1,803,628</u>	<u>\$ 2,125,620</u>

The accompanying notes are an integral part of these financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**AGENCY FUNDS**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**DECEMBER 31, 2011**

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	<b>Agency Funds</b>
<b>Assets</b>	
Cash and pooled investments	\$ 4,193,422
Accounts receivable	<u>442</u>
<b>Total assets</b>	<b><u>\$ 4,193,864</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 6,776
Due to other funds	74
Due to other governmental units	4,152,450
Escrow deposits	<u>34,564</u>
<b>Total liabilities</b>	<b><u>\$ 4,193,864</u></b>

The accompanying notes are an integral part of these financial statements.

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**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Plainfield Charter Township (the "Township") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

***Reporting Entity***

These financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations, so data from these units are combined with data of the primary government. The Township has no blended component units. Discretely presented component units are reported in separate columns in the financial statements to emphasize they are legally separate from the Township.

***Discretely Presented Component Units***

The component unit columns in the government-wide financial statements include the financial data of the Downtown Development Authority (DDA) and the Plainfield Avenue Corridor Improvement Authority (PACIA). These component units provide services to the businesses located within the districts. They are reported in separate columns to emphasize they are legally separate from the Township.

The DDA was created to correct and prevent deterioration in the downtown area and promote economic growth within downtown. The DDA governing body consists of individuals that are appointed by the Township's Board. The Township's Board approves the DDA's budget and has the ability to significantly influence operations of the DDA. Financial statements are not separately issued for the DDA.

The PACIA was established in 2007 under P.A. 280 by Plainfield and Grand Rapids Townships to correct and prevent deterioration and promote economic growth in the Plainfield Avenue corridor area. The PACIA governing body consists of individuals that are appointed by the Township Supervisor. The Township's Board approves the PACIA Board appointments and the PACIA's budget and has the ability to significantly influence operations of the PACIA. Financial statements are not separately issued for the PACIA.

***Joint Venture***

The Township is a participant in the North Kent Sewer Authority (Authority) (a joint venture as defined by GASB Statement No. 14). The purpose of the Authority is to develop and maintain sanitary sewer infrastructure. The Township utilizes the Authority for its sewage transportation and disposal. The Township pays for these services based on connection fees and on its share of sewage flow through the system to cover debt service, maintenance, operations and administration of the Authority. The Authority has outstanding insured municipal bonds of \$55,235,725 as of December 31, 2011. The Township has pledged its limited faith and credit for the bonds based on Township sewage flow through the system. During their most recent fiscal year the Authority reported an increase in net assets of \$612,303. Financial statements of the Authority can be obtained by contacting the North Kent Sewer Authority, PO Box 561, Rockford, MI 49341.

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are changes between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for state shared revenue, reimbursement-based grants, land contracts, and interest which use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and other post employment benefit expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. State revenue, reimbursement based grants, land contracts, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major governmental fund:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Township reports the following major proprietary funds:

The *Sewer Enterprise Fund* is used to account for the Township's wastewater operation that provides sewer services on a user charge basis.

The *Water Enterprise Fund* is used to account for the Township's water operation that provides water services on a user charge basis.

Additionally, the Township reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *Agency Funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed by both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

***Budgets and Budgetary Accounting***

Comparisons to budget are presented for the general and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget is adopted by function.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year end.
6. Adoption and amendments of all budgets used by the Township are governed by Michigan state law. The appropriations resolution is based on the projected expenditures budgets of the department heads of the Township. Any amendment to the original budget must meet the requirements of Michigan law. Any revisions that alter the total expenditures of any function must be approved by the Board of Trustees. Thus the legal level of budgetary control is at the functional level. Supplemental appropriations were necessary during the year.

***Cash and Pooled Investments***

For the purpose of the statement of cash flows, the Township considers cash and pooled investments to be cash and cash equivalents because the pooling of these balances allows for withdrawal at any time similar to a demand deposit account.

***Investments***

Investments are stated at fair value at the balance sheet date.

Township investment policy allows for all investment authorized by State statutes. State statutes authorize the Township to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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***Special Assessments Receivable***

Special assessments receivable consist of long-term receivables from customers and benefited parties for various water and sewer and other improvement projects.

***Inventory and Prepaid Items***

All inventories are valued at original cost using the first-in/first-out (FIFO) method. Inventory in governmental funds is immaterial. Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

***Restricted Cash and Pooled Investments***

Restricted balances represent required reserves for the payment of principal and interest on outstanding bonds as well as other reserves required by bond agreements.

***Capital Assets***

Capital assets, which include land, construction in progress, buildings and equipment, and infrastructure assets (e.g., water and sewer systems, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been capitalized on capital assets reported in proprietary funds.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<b><u>Years</u></b>
Sanitary sewer system	20-66
Furniture and equipment	5-10
Building and structures	10-40
Water mains and hydrants	30-66
Wells and pumps	25
Filtration and treatment equipment	7-10
Trucks and vehicles	5
Machinery and equipment	7-20

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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***Deferred Revenue***

Funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the funds were as follows:

Governmental funds	
General fund	
Property taxes	\$3,620,886
Special assessments receivable	38,574
Grants	82,500
Other governmental funds	
Property taxes	216,689
Special assessments	<u>16,340</u>
Total governmental funds	<u><u>\$3,974,989</u></u>

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund type financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***Compensated Absences***

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the contracts. Accumulated compensated absences of governmental funds are recorded on the statement of net assets and not on the governmental fund balance sheets because the balance is not expected to be liquidated with expendable available financial resources. Amounts accumulated for proprietary funds are reported on the statements of net assets of the individual enterprise funds. For governmental activities, compensated absences are generally liquidated by the general fund.

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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***Fund Equity***

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal action of the entity's governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund Balance can only be committed by resolution of the Board.

When multiple net asset/fund balance classifications are available for use it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed.

***Property Taxes***

Township property taxes attach as an enforceable lien on property as of December 1 of each year and are due without penalty on or before February 14. Tax bills include the Township's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the county for collection, which advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer. The December 1 levy is recorded as a receivable and deferred revenue at the end of the year and is intended to fund expenditures of the following year.

***Interfund Transactions***

During the course of normal operations, the Township has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Charges between enterprise funds and other functions of the Township are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move allocated cost of general operations to applicable funds.

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2011, the Township carried commercial insurance to cover risks of losses. The Township has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgeted funds have been shown on a functional basis. The approved budgets of the Township for these budgeted funds were adopted at the functional level.

During the year ended December 31, 2011, the Township incurred the following expenditures which were in excess of the amounts appropriated:

	<u>Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
<b>Special Revenue Funds</b>			
Lake Improvement			
Public Works	15,500	16,682	(1,182)

**3. CASH AND INVESTMENTS**

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$8,768,711	\$460,573	\$4,193,422	\$13,422,706
Restricted cash and pooled investment	215,000	-	-	215,000
	<u>\$8,983,711</u>	<u>\$460,573</u>	<u>\$4,193,422</u>	<u>\$13,637,706</u>

The cash and investments making up the above balances are as follows:

Deposits	\$4,330,611
Investments	9,305,270
Petty cash	<u>1,825</u>
<b>Total</b>	<u><u>\$13,637,706</u></u>

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when earned.

# PLAINFIELD CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2011

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have, a policy for deposit custodial credit risk. As of year-end, \$1,447,997 of the Township's bank balance of \$9,122,180 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

#### Investments

The Township chooses to disclose its investments by specifically identifying each. As of year-end, the Township had the following investments:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Money market mutual funds	N/A	\$5,004,083	Aaa	Moody's
FNMA Note	9/16/15	196,267	Unrated	
Investment Pool Accounts:				
Kent County Investment Pool	N/A	2,934,047	Unrated	
MBIA Class	N/A	1,170,873	AAAm	S&P
<b>Total</b>		<b><u>\$9,305,270</u></b>		

#### *Investment and deposit risk*

*Interest Rate Risk.* State law and Township policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end. There is no stated maturity date for the Township's investment in the Kent County Public Funds Investment Pool identified above. At December 31, 2011 the balance of the Kent County Public Funds Investment Pool consisted of the following:

<u>Investment</u>	<u>Percentage of pool total</u>	<u>Maturity in years</u>
Government agency securities	21%	0-5
Certificates of deposits	37%	0-2
Money market accounts	10%	Not applicable
Other investments	32%	0-2

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year end.

# PLAINFIELD CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2011

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Township does not have, a policy for investment custodial credit risk. Of the above investments in pools and mutual funds, the Township's custodial credit risk exposure cannot be determined because the mutual funds and the investment pools do not consist of specifically identifiable securities. The FNMA note is uninsured and unregistered and held by the government's brokerage firm which is also the counter party for this security.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

#### 4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2011</b>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 1,617,696	\$676,542	\$ -	\$ 2,294,238
Construction in progress	65,725	-	65,725	-
Total capital assets, not being depreciated	1,683,421	676,542	65,725	2,294,238
<b>Capital assets, being depreciated</b>				
Buildings and improvements	12,185,999	112,367	-	12,298,366
Machinery and equipment	4,367,685	-	12,000	4,355,685
Total capital assets, being depreciated	16,553,684	112,367	12,000	16,654,051
Less accumulated depreciation for				
Buildings and improvements	4,978,292	321,870	-	5,300,162
Machinery and equipment	3,334,796	253,923	12,000	3,576,719
Total accumulated depreciation	8,313,088	575,793	12,000	8,876,881
<b>Net capital assets, being depreciated</b>	<b>8,240,596</b>	<b>(463,426)</b>	<b>-</b>	<b>7,777,170</b>
<b>Governmental Activities capital assets, net</b>	<b>\$9,924,017</b>	<b>\$213,116</b>	<b>\$65,725</b>	<b>\$10,071,408</b>

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 708,300	\$ -	\$ -	\$ 708,300
Construction in Progress	793,295	6,710,985	577,558	6,926,722
Total capital assets, not being depreciated	<u>1,501,595</u>	<u>6,710,985</u>	<u>577,558</u>	<u>7,635,022</u>
<b>Capital assets being depreciated</b>				
Buildings and improvements	17,078,649	5,972	-	17,084,621
Utility systems	56,146,254	569,447	-	56,715,701
Machinery and equipment	4,039,201	61,596	-	4,100,797
Total capital assets, being depreciated	<u>77,264,104</u>	<u>637,015</u>	<u>-</u>	<u>77,901,119</u>
Less accumulated depreciation for				
Buildings and improvements	6,503,284	408,541	-	6,911,825
Utility systems	12,666,997	1,082,388	-	13,749,385
Machinery and equipment	1,731,720	231,575	-	1,963,295
Total accumulated depreciation	<u>20,902,001</u>	<u>1,722,504</u>	<u>-</u>	<u>22,624,505</u>
<b>Net capital assets, being depreciated</b>	<u>56,362,103</u>	<u>(1,085,489)</u>	<u>-</u>	<u>55,276,614</u>
<b>Business-type Activities capital assets, net</b>	<u><b>\$57,863,698</b></u>	<u><b>\$5,625,496</b></u>	<u><b>\$577,558</b></u>	<u><b>\$62,911,636</b></u>
<b>Component Units</b>				
<b>Capital assets, not being depreciated</b>				
Construction in Progress	\$ 12,711	\$ -	\$ 12,711	\$ -
<b>Capital assets, being depreciated</b>				
Infrastructure	977,439	50,380	-	1,027,819
Less accumulated depreciation	72,483	50,722	-	123,205
<b>Net capital assets, being depreciated</b>	<u>904,956</u>	<u>(342)</u>	<u>-</u>	<u>904,614</u>
<b>Component Units capital assets, net</b>	<u><b>\$917,667</b></u>	<u><b>\$(342)</b></u>	<u><b>\$ 12,711</b></u>	<u><b>\$904,614</b></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities</b>	
General government	\$175,533
Public safety	275,053
Culture and recreation	125,207
<b>Total depreciation expense - governmental activities</b>	<u><u>\$575,793</u></u>
<b>Business-type Activities</b>	
Sewer	\$ 411,300
Water	1,311,204
<b>Total depreciation expense - business-type activities</b>	<u><u>\$1,722,504</u></u>
<b>Component Units</b>	
Public Works	<u><u>\$50,722</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**5. LONG-TERM DEBT**

The following is a summary of the debt transactions of the Township for the year ended December 31, 2011:

	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2011</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
\$3,900,000 2002 Capital Improvement bonds; due in annual installments of \$380,000 to \$465,000 plus interest at 3.25 - 3.85% through November 2013	\$1,335,000	\$ -	\$ 425,000	\$910,000	\$445,000
\$738,420 2007 Installment Purchase agreement; due in annual installments of \$73,842 to \$147,684 plus interest at 4.06% through March 2012	221,526	-	147,684	73,842	73,842
\$324,651 2011 Retirement Health note; due in annual installments of \$36,072 plus interest at 2.5% through December 2020	-	324,651	-	324,651	36,072
<b>Total</b>	<b>1,556,526</b>	<b>324,651</b>	<b>572,684</b>	<b>1,308,493</b>	<b>554,914</b>
Post employment benefits liability	871,478	145,869	51,660	965,687	-
Accrued compensated absences	156,061	29,326	23,062	162,325	23,144
<b>Total Governmental Activities</b>	<b>\$2,584,065</b>	<b>\$499,846</b>	<b>\$647,406</b>	<b>\$2,436,505</b>	<b>\$578,058</b>

**PLAINFIELD CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2011</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
\$1,430,749 1991 Special Assessment Bonds; due in annual installments of \$36,000 to \$85,000 plus interest at 2.00% through April 2011	\$ 35,749	\$ -	\$ 35,749	\$ -	\$ -
\$3,471,301 1998 North Kent Sewer Authority Bond; due in annual installments of \$155,000 to \$282,000 plus interest at 3.00-7.00% through May 2018	1,834,306	-	181,883	1,652,423	193,493
\$5,710,000 2001 Supply System Revenue Bonds; due in annual installments of \$480,000 to \$640,000 plus interest at 3.95-4.45% through November 2014	2,375,000	-	2,375,000	-	-
\$5,000,000 2003 Capital Improvement Bonds; due in annual installments of \$195,000 to \$370,000 plus interest at 2.05-4.00% through November 2023	3,670,000	-	215,000	3,455,000	225,000
\$2,210,000 2004 Refunding revenue bonds; due in annual installments of \$205,000 to \$250,000 plus interest at 2.50-3.75% through November 2014	930,000	-	220,000	710,000	225,000
\$1,332,000 2011 Refunding revenue bonds; due in annual installments of \$420,000 to \$466,000 plus interest of 1.00% to 1.45% through May 2014	-	1,332,000	-	1,332,000	420,000
\$7,750,000 2011 Capital Improvement Bonds; due in annual installments of \$300,000 to \$485,000 plus interest at 2.5% through April 2032	-	6,019,664	-	6,019,664	-
\$146,102 2011 Retirement Health note; due in annual installments of \$16,234 plus interest at 2.5% through December 2020	-	146,102	-	146,102	16,234
<b>Total</b>	<b>8,845,055</b>	<b>7,497,766</b>	<b>3,027,632</b>	<b>13,315,189</b>	<b>1,079,727</b>
Post employment benefits liability	447,618	197,180	69,832	574,966	-
Accrued compensated absences	80,289	18,792	9,701	89,380	14,307
<b>Total Business-type Activities</b>	<b>\$9,372,962</b>	<b>\$7,713,738</b>	<b>\$3,107,165</b>	<b>\$13,979,535</b>	<b>\$1,094,034</b>

# PLAINFIELD CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2011

The 2011 Capital Improvement Bonds are issued through a State of Michigan program (Drinking Water Revolving Fund) which provides for bond proceeds to be received as the related construction project progresses to a maximum amount of \$7,750,000. The program also allows for the forgiveness of principal to a maximum amount of \$1,523,844. The future minimum payment schedule includes only debt outstanding at December 31, 2011.

During fiscal year 2011, the Township issued \$1,332,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$1,825,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$627,432, which resulted in an economic gain of \$54,335.

The annual requirements to amortize all debt outstanding (excluding post employment benefits liability and accrued employee benefits) as of December 31, 2011 are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 554,914	\$35,861	\$1,079,727	\$ 218,749
2013	501,072	16,165	1,432,335	340,467
2014	36,073	6,313	1,502,815	303,165
2015	36,072	5,411	822,294	267,846
2016	36,072	4,509	853,904	224,060
2017-2021	144,290	9,018	3,894,451	854,882
2022-2026	-	-	3,150,000	347,552
2027-2031	-	-	579,663	17,984
<b>Total</b>	<b>\$1,308,493</b>	<b>\$77,277</b>	<b>\$13,315,189</b>	<b>\$2,574,705</b>

#### 6. PENSION PLANS

##### Defined Contribution Pension Plans

The Township maintains the Plainfield Charter Township Pension Plan which is a defined contribution plan. The Township contributes 7.5% and participating eligible employees contribute at least 5% of gross salary to the plan administered by an independent carrier. The township contributes an additional 2.5% of gross salary to the plan for eligible employees with over 10 years of service and an additional 2.5% for employees with over 15 years of service. The Township plan benefits and contribution requirements were established and may be amended under the authority of the Township Board and under agreements with unions representing various classes of employees. All full-time Township employees are eligible to participate in the plan. During the year, the Township contributed \$298,323 and plan members contributed \$142,909 to the plan.

**PLAINFIELD CHARTER TOWNSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Deferred Compensation Plan**

The Township offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergence. All assets of the plan are held in trust for employees and the related assets and liabilities are not included in this report.

**7. OTHER POST EMPLOYMENT BENEFITS**

The Township administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). This benefit plan is authorized, and applicable benefit requirements are identified, in union agreements. The plan provides employees retiring with 20 years of full time employment full hospitalization benefits for life in the amount of a two person contract. Employees with less than 20 years of full time employment receive various levels of hospitalization benefits depending on years of service. The Township makes 100% of the premium payments to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

The Township's contribution to this plan is provided on a pay as you go basis. For the current year, the annual required contribution (ARC) was \$338,257 while the Township contributed \$143,539 to provide insurance coverage for 18 retired employees during 2011.

The Township's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Township has elected to calculate the ARC and related information using the alternative measurement method in accordance with generally accepted accounting principles for employers in plans with fewer than one hundred plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. Fiscal year 2008 was the first year for which an actuarially required contribution (ARC) was determined. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's OPEB obligation to the plan.

Annual required contribution	\$ 338,257
Interest on Net OPEB obligation	26,839
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>365,096</u>
Contribution made	<u>143,539</u>
Increase in net OPEB obligation	221,557
Net OPEB obligation, beginning of year	<u>1,319,096</u>
Net OPEB obligation, end of year	<u><u>\$1,540,653</u></u>

**Three-Year Trend Information**

<b>Fiscal Year</b>	<b>OPEB</b>	<b>Percentage of OPEB</b>	<b>Net OPEB</b>
<b>Ending</b>	<b>Cost</b>	<b>Cost Contributed</b>	<b>Obligation</b>
12/31/09	\$510,724	23.1%	\$ 883,162
12/31/10	557,426	21.8%	1,319,096
12/31/11	365,096	39.3%	1,540,653

**PLAINFIELD CHARTER TOWNSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio Total</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ -	\$3,275,688	\$3,275,688	0%	\$995,904	328.92%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Township is currently funding the plan on a pay as you go basis. For governmental activities, post employment benefits are generally liquidated by the general fund.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the December 31, 2011 actuarial valuation, the Plan utilized the projected unit credit actuarial cost method; level dollar, closed amortization method; and an amortization period of 30 years. The actuarial assumptions included a 0% return on plan net assets as the plan is not funded, a discount rate of 4%, and a 9% medical inflation rate in 2011. Other post employment benefits of governmental are generally liquidated with general fund resources.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of benefits.

The Township has reduced their OPEB liability through establishment of retirement savings accounts for non-bargaining employees and is currently in the process of working with bargaining unit employees to implement a similar retirement savings account package which will eliminate the OPEB liability for all current employees.

**8. LITIGATION**

In the normal course of its operations, the Township has become a party in various legal actions, including property tax appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township. Amounts reserved for losses related to legal actions have not been included as a liability in the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# PLAINFIELD CHARTER TOWNSHIP

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,672,800	\$ 3,659,800	\$ 3,665,795	\$ 5,995
Licenses and permits	421,417	441,417	444,813	3,396
Federal	122,600	528,500	407,270	(121,230)
State	2,357,250	2,511,250	2,629,736	118,486
Charges for services	214,550	229,550	232,329	2,779
Fines	3,300	3,300	3,528	228
Investment earnings	34,300	28,800	29,014	214
Miscellaneous	475,149	468,999	469,528	529
<b>Total revenues</b>	<u>7,301,366</u>	<u>7,871,616</u>	<u>7,882,013</u>	<u>10,397</u>
<b>Expenditures</b>				
Current				
General government	3,063,949	3,464,920	3,229,174	235,746
Public safety	2,905,525	2,901,225	2,880,199	21,026
Public works	175,000	232,500	210,578	21,922
Culture and recreation	1,107,982	1,031,432	1,010,510	20,922
Debt service				
Principal	572,685	572,685	572,684	1
Interest and fiscal charges	50,253	50,253	50,198	55
<b>Total expenditures</b>	<u>7,875,394</u>	<u>8,253,015</u>	<u>7,953,343</u>	<u>299,672</u>
<b>Revenues over (under) expenditures</b>	<u>(574,028)</u>	<u>(381,399)</u>	<u>(71,330)</u>	<u>310,069</u>
Other financing sources (uses)				
Transfers in	250,000	225,000	206,600	(18,400)
Transfers out	(110,000)	(131,000)	(117,500)	13,500
<b>Total other financing sources (uses)</b>	<u>140,000</u>	<u>94,000</u>	<u>89,100</u>	<u>(4,900)</u>
<b>Net changes in fund balance</b>	(434,028)	(287,399)	17,770	305,169
<b>Fund balance, beginning of year</b>	<u>2,493,756</u>	<u>2,493,756</u>	<u>2,493,756</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 2,059,728</u>	<u>\$ 2,206,357</u>	<u>\$ 2,511,526</u>	<u>\$ 305,169</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**RETIREE HEALTH OTHER POST EMPLOYMENT BENEFIT PLAN**  
**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2008	\$ -	\$ 5,959,098	\$ 5,959,098	0.00%	\$ 4,089,330	146.70%
12/31/2011	-	3,275,688	3,275,688	0.00%	995,904	328.92%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Year Ended December 31</u>	<u>Annual required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2009	\$ 510,724	\$ 117,829	23%
2010	557,426	121,492	22%
2011	365,096	143,539	39%

**Note to required supplementary information**

**Budgets and Budgetary Accounting**

The Township adopts an annual budget for the general fund following the GAAP basis of accounting. Unexpended appropriations lapse at year end.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

# PLAINFIELD CHARTER TOWNSHIP

## GENERAL FUND

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The *General Fund* accounts for revenues and expenditures that are not required to be accounted for in another fund. In Plainfield Charter Township the functions of the General Fund include General government, public safety, public works, culture & recreation and debt service not recorded in Special Revenue or Enterprise Funds. The General Fund is the designated repository per Michigan law for ad valorem property taxes. Other revenue sources for the General Fund are state shared revenues, transfers from other funds, fees and interest.

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**PLAINFIELD CHARTER TOWNSHIP**

**GENERAL FUND  
COMPARATIVE BALANCE SHEET**

**DECEMBER 31, 2011 and 2010**

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	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 2,295,354	\$ 2,553,970
Receivables		
Taxes	3,328,699	3,174,466
Accounts	30,630	15,125
Special assessments	40,078	73,389
Due from other funds	74	-
Due from other governments	816,102	693,648
Prepaid items	<u>103,146</u>	<u>74,882</u>
<b>Total assets</b>	<u>\$ 6,614,083</u>	<u>\$ 6,585,480</u>
<b>Liabilities and fund balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 256,123	\$ 236,365
Accrued payroll and benefits	104,474	115,638
Deferred revenue	<u>3,741,960</u>	<u>3,739,721</u>
<b>Total liabilities</b>	<u>4,102,557</u>	<u>4,091,724</u>
<b>Fund balances</b>		
Non-spendable		
Prepaid items	103,146	74,882
Committed		
Special assessment projects	434,814	404,747
Retiree health insurance	44,000	425,000
Fire department	1,594	1,594
Assigned		
Future years expenditures	75,379	434,028
Unassigned	<u>1,852,593</u>	<u>1,153,505</u>
<b>Total fund balances</b>	<u>2,511,526</u>	<u>2,493,756</u>
<b>Total liabilities and fund balances</b>	<u>\$ 6,614,083</u>	<u>\$ 6,585,480</u>

**PLAINFIELD CHARTER TOWNSHIP**

**GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES**

**FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Taxes		
Current property	\$ 3,605,891	\$ 3,712,623
Delinquent property	6,976	8,959
Industrial facilities	26,297	29,596
In lieu of taxes	3,444	3,417
Trailer fees	6,854	6,278
Interest and penalties on taxes	<u>16,333</u>	<u>14,519</u>
	<u>3,665,795</u>	<u>3,775,392</u>
Licenses and permits		
Business	4,565	4,520
Cable	398,914	389,305
Communication	40,964	41,545
Dog licenses	<u>370</u>	<u>410</u>
	<u>444,813</u>	<u>435,780</u>
Federal Sources		
FEMA grant	<u>407,270</u>	<u>294,407</u>
State Sources		
Liquor license fee	20,420	19,445
State grants	379,182	-
Sales taxes	<u>2,230,134</u>	<u>1,944,191</u>
	<u>2,629,736</u>	<u>1,963,636</u>
Charges for services		
Planning and zoning fees	4,893	6,895
Summer tax collection fees	56,612	56,952
Passports	27,959	32,353
Other fees	7,206	3,592
Fire and rescue	20,969	15,887
Grave openings	35,302	28,609
Sale of cemetery lots	8,900	19,600
Copier and printing fees	987	1,110
Title searches	3,917	4,331
Recreational fees	44,275	37,875
Election fees	<u>21,309</u>	<u>12,267</u>
	<u>232,329</u>	<u>219,471</u>

(continued)

**PLAINFIELD CHARTER TOWNSHIP**

**GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES**

**FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010**

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	<u>2011</u>	<u>2010</u>
Fines and forfeitures		
District court fines	\$ 3,528	\$ 3,629
Interest		
Interest on deposits	25,663	26,452
Interest on special assessments	<u>3,351</u>	<u>3,880</u>
	<u>29,014</u>	<u>30,332</u>
Other revenue		
Act 425 reimbursements	-	90
Sidewalk assessments	24,871	52,602
Rental income	26,938	36,461
Sale of assets	2,470	9,653
Donations	-	918
Library reimbursements	18,970	37,232
Water/sewer/building department reimbursements	391,632	415,564
Other revenue	<u>4,647</u>	<u>3,090</u>
	<u>469,528</u>	<u>555,610</u>
<b>Total Revenues</b>	<u>\$ 7,882,013</u>	<u>\$ 7,278,257</u> (concluded)

**PLAINFIELD CHARTER TOWNSHIP**

**GENERAL FUND  
COMPARATIVE SCHEDULE OF EXPENDITURES**

**FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Expenditures</b>		
Current		
General government		
Township Board	\$ 21,412	\$ 20,288
Supervisor	15,901	15,891
Manager	249,071	231,655
Accounting	238,198	245,583
Clerks office	175,925	181,227
Board of review	2,023	1,594
Treasurers office	228,698	229,306
Assessor	315,508	305,925
General administration	144,175	317,509
Elections	27,208	58,118
Buildings and grounds	428,279	470,286
Legal and audit	48,978	70,161
Cemetery	50,335	40,438
Other general government	770,165	462,951
Other		
Insurance and bonds	47,914	196,500
Retiree health insurance	84,137	-
Contributions to retirement health savings	<u>381,247</u>	<u>-</u>
	<u>3,229,174</u>	<u>2,847,432</u>
Public safety		
Law enforcement	528,810	493,471
Fire department	2,088,822	2,215,724
Planning	<u>262,567</u>	<u>280,283</u>
	<u>2,880,199</u>	<u>2,989,478</u>
Public works		
Drains	73	412
Highways, streets, and bridges	<u>210,505</u>	<u>208,586</u>
	<u>210,578</u>	<u>208,998</u>
Culture and recreation		
Parks and recreation	779,274	212,143
Township newsletter	15,903	16,666
Library	137,389	137,974
Cultural	72,005	64,213
Historical	<u>5,939</u>	<u>6,318</u>
	<u>1,010,510</u>	<u>437,314</u>
Debt service		
Principal	572,684	581,717
Interest and fiscal charges	<u>50,198</u>	<u>72,233</u>
	<u>622,882</u>	<u>653,950</u>
<b>Total expenditures</b>	<u>\$ 7,953,343</u>	<u>\$ 7,137,172</u>

# PLAINFIELD CHARTER TOWNSHIP

## CAPITAL PROJECT FUND

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The *Public Improvement Fund* accounts for the park improvements. Revenues are provided primarily from the 10 mile transfer station.

## SPECIAL REVENUE FUNDS

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The *Lighting District Fund* accounts for street lighting activity. Financing is primarily provided by special assessments

The *Stormwater Management Fund* accounts for activities related to drains for storm water runoff. Funding is provided primarily by developers and transfers from the Township's general fund

The *Lake Improvement Fund* accounts for weed and algae treatments for the lakes in the township. Funding is provided primarily from property owners through special assessments.

The *Building Department Fund* accounts for permitting and inspection activities throughout the township. Funding is provided by building, electrical, heating, and other permits.

**PLAINFIELD CHARTER TOWNSHIP**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**DECEMBER 31, 2011**

	<u>Capital Projects</u>		<u>Special Revenue Funds</u>				<u>Total</u>
	<u>Public Improvement</u>	<u>Lighting District</u>	<u>Stormwater Management</u>	<u>Lake Improvement</u>	<u>Building Department</u>		
<b>Assets</b>							
Cash and pooled investments	\$ 262,297	\$ 37,717	\$ 182,345	\$ 15,020	\$ 5,363	\$ 502,742	
Receivables							
Taxes	-	199,811	-	-	-	199,811	
Special assessments	-	-	-	14,162	-	14,162	
Prepaid items	-	-	-	800	21	821	
<b>Total assets</b>	<u>\$ 262,297</u>	<u>\$ 237,528</u>	<u>\$ 182,345</u>	<u>\$ 29,982</u>	<u>\$ 5,384</u>	<u>\$ 717,536</u>	
<b>Liabilities and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 20,453	\$ -	\$ -	\$ 4,328	\$ 24,781	
Deferred revenue	-	216,689	-	16,340	-	233,029	
<b>Total liabilities</b>	<u>-</u>	<u>237,142</u>	<u>-</u>	<u>16,340</u>	<u>4,328</u>	<u>257,810</u>	
<b>Fund balances</b>							
Non-spendable							
Prepaid items	-	-	-	800	21	821	
Restricted							
Building department	-	-	-	-	1,035	1,035	
Lighting district	-	386	-	-	-	386	
Lake improvement	-	-	-	12,842	-	12,842	
Assigned	262,297	-	182,345	-	-	444,642	
<b>Total fund balances</b>	<u>262,297</u>	<u>386</u>	<u>182,345</u>	<u>13,642</u>	<u>1,056</u>	<u>459,726</u>	
<b>Total liabilities and fund balances</b>	<u>\$ 262,297</u>	<u>\$ 237,528</u>	<u>\$ 182,345</u>	<u>\$ 29,982</u>	<u>\$ 5,384</u>	<u>\$ 717,536</u>	

**PLAINFIELD CHARTER TOWNSHIP**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Capital Projects</u>		<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Public Improvement</u>	<u>Lighting District</u>	<u>Stormwater Management</u>	<u>Lake Improvement</u>	<u>Building Department</u>	
<b>Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 200,153	\$ 200,153
Investment earnings	1,451	307	2,518	90	69	4,435
Miscellaneous	-	153,481	-	16,340	-	169,821
<b>Total revenues</b>	<u>1,451</u>	<u>153,788</u>	<u>2,518</u>	<u>16,430</u>	<u>200,222</u>	<u>374,409</u>
<b>Expenditures</b>						
Current						
Public safety	-	-	-	-	213,297	213,297
Public works	-	256,921	7,862	16,682	-	281,465
<b>Total expenditures</b>	<u>-</u>	<u>256,921</u>	<u>7,862</u>	<u>16,682</u>	<u>213,297</u>	<u>494,762</u>
Revenues over (under) expenditures	<u>1,451</u>	<u>(103,133)</u>	<u>(5,344)</u>	<u>(252)</u>	<u>(13,075)</u>	<u>(120,353)</u>
Other financing sources (uses)						
Transfers in	-	103,500	-	-	14,000	117,500
Transfers out	(206,600)	-	-	-	-	(206,600)
Total other financing sources (uses)	<u>(206,600)</u>	<u>103,500</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>(89,100)</u>
Net changes in fund balances	(205,149)	367	(5,344)	(252)	925	(209,453)
<b>Fund balances, beginning of year</b>	<u>467,446</u>	<u>19</u>	<u>187,689</u>	<u>13,894</u>	<u>131</u>	<u>669,179</u>
<b>Fund balances, end of year</b>	<u>\$ 262,297</u>	<u>\$ 386</u>	<u>\$ 182,345</u>	<u>\$ 13,642</u>	<u>\$ 1,056</u>	<u>\$ 459,726</u>

**PLAINFIELD CHARTER TOWNSHIP**

**LIGHTING DISTRICT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	200	200	307	107
Miscellaneous	150,500	153,500	153,481	(19)
<b>Total revenues</b>	<u>150,700</u>	<u>153,700</u>	<u>153,788</u>	<u>88</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Public works	235,000	258,500	256,921	1,579
<b>Total expenditures</b>	<u>235,000</u>	<u>258,500</u>	<u>256,921</u>	<u>1,579</u>
Revenues over (under) expenditures	<u>(84,300)</u>	<u>(104,800)</u>	<u>(103,133)</u>	<u>1,667</u>
Other financing sources (uses)				
Transfers in	85,000	106,000	103,500	(2,500)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>85,000</u>	<u>106,000</u>	<u>103,500</u>	<u>(2,500)</u>
Net changes in fund balances	700	1,200	367	(833)
<b>Fund balances, beginning of year</b>	<u>19</u>	<u>19</u>	<u>19</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 719</u>	<u>\$ 1,219</u>	<u>\$ 386</u>	<u>\$ (833)</u>

**PLAINFIELD CHARTER TOWNSHIP**

**STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	2,200	2,200	2,518	318
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>2,200</u>	<u>2,200</u>	<u>2,518</u>	<u>318</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Public works	27,000	27,000	7,862	19,138
<b>Total expenditures</b>	<u>27,000</u>	<u>27,000</u>	<u>7,862</u>	<u>19,138</u>
Revenues over (under) expenditures	<u>(24,800)</u>	<u>(24,800)</u>	<u>(5,344)</u>	<u>19,456</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(24,800)	(24,800)	(5,344)	19,456
<b>Fund balances, beginning of year</b>	<u>187,689</u>	<u>187,689</u>	<u>187,689</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 162,889</u>	<u>\$ 162,889</u>	<u>\$ 182,345</u>	<u>\$ 19,456</u>

**PLAINFIELD CHARTER TOWNSHIP**

**LAKE IMPROVEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ -		\$ -	\$ -
Investment earnings	60	60	90	30
Miscellaneous	15,570	15,570	16,340	770
<b>Total revenues</b>	<u>15,630</u>	<u>15,630</u>	<u>16,430</u>	<u>800</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Public works	15,500	15,500	16,682	(1,182)
<b>Total expenditures</b>	<u>15,500</u>	<u>15,500</u>	<u>16,682</u>	<u>(1,182)</u>
Revenues over (under) expenditures	<u>130</u>	<u>130</u>	<u>(252)</u>	<u>(382)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	130	130	(252)	(382)
<b>Fund balances, beginning of year</b>	<u>13,894</u>	<u>13,894</u>	<u>13,894</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 14,024</u>	<u>\$ 14,024</u>	<u>\$ 13,642</u>	<u>\$ (382)</u>

**PLAINFIELD CHARTER TOWNSHIP**

**BUILDING DEPARTMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 194,800	\$ 199,800	\$ 200,153	\$ 353
Investment earnings	35	35	69	34
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>194,835</u>	<u>199,835</u>	<u>200,222</u>	<u>387</u>
<b>Expenditures</b>				
Current				
Public safety	221,215	221,215	213,297	7,918
Public works	-	-	-	-
<b>Total expenditures</b>	<u>221,215</u>	<u>221,215</u>	<u>213,297</u>	<u>7,918</u>
Revenues over (under) expenditures	<u>(26,380)</u>	<u>(21,380)</u>	<u>(13,075)</u>	<u>8,305</u>
Other financing sources (uses)				
Transfers in	25,000	25,000	14,000	(11,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>14,000</u>	<u>(11,000)</u>
Net changes in fund balances	(1,380)	3,620	925	(2,695)
<b>Fund balances, beginning of year</b>	<u>131</u>	<u>131</u>	<u>131</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ (1,249)</u>	<u>\$ 3,751</u>	<u>\$ 1,056</u>	<u>\$ (2,695)</u>

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# PLAINFIELD CHARTER TOWNSHIP

## FIDUCIARY FUNDS

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Agency Funds:

The *Trust and Agency Fund* accounts for assets held in trust on behalf of other parties.

The *Current Tax Collection Fund* accounts for the collection and disbursement of property taxes billed and collected by the Township on behalf of the state, the county, school districts, and other taxing entities within the Township.

# PLAINFIELD CHARTER TOWNSHIP

## AGENCY FUNDS COMBINING STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 31, 2011

---

	<u>Trust and Agency Fund</u>	<u>Current Tax Collection Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 44,674	\$ 4,148,748	\$ 4,193,422
Accounts receivable	-	442	442
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 44,674</b>	<b>\$ 4,149,190</b>	<b>\$ 4,193,864</b>
<b>Liabilities</b>			
Accounts payable	\$ 6,776	\$ -	\$ 6,776
Due to other funds	-	74	74
Due to other governments	3,334	4,149,116	4,152,450
Escrow deposits	34,564	-	34,564
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>\$ 44,674</b>	<b>\$ 4,149,190</b>	<b>\$ 4,193,864</b>

**PLAINFIELD CHARTER TOWNSHIP**

**AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Trust and agency fund</u>			
	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
<b>Assets</b>				
Cash and pooled investments	\$ 31,063	\$ 191,879	\$ 178,268	\$ 44,674
Accounts receivable	-	-	-	-
<b>Total assets</b>	<u>\$ 31,063</u>	<u>\$ 191,879</u>	<u>\$ 178,268</u>	<u>\$ 44,674</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,647	\$ 161,847	\$ 156,718	\$ 6,776
Due to other governments	11,313	171,071	179,050	3,334
Escrow deposits	18,104	17,743	1,283	34,564
<b>Total liabilities</b>	<u>\$ 31,064</u>	<u>\$ 350,661</u>	<u>\$ 337,051</u>	<u>\$ 44,674</u>

	<u>Current tax collection agency fund</u>			
<b>Assets</b>				
Cash and pooled investments	\$ 3,775,880	\$ 37,382,965	\$ 37,010,097	\$ 4,148,748
	-	727	285	442
<b>Total assets</b>	<u>\$ 3,775,880</u>	<u>\$ 37,383,692</u>	<u>\$ 37,010,382</u>	<u>\$ 4,149,190</u>
<b>Liabilities</b>				
Accounts payable	\$ 37	\$ 600,908	\$ 600,945	\$ -
Due to other funds	-	13,659	13,585	74
Due to other governments	3,775,842	38,034,536	37,661,262	4,149,116
<b>Total liabilities</b>	<u>\$ 3,775,879</u>	<u>\$ 38,649,103</u>	<u>\$ 38,275,792</u>	<u>\$ 4,149,190</u>

	<u>Total agency funds</u>			
<b>Assets</b>				
Cash and pooled investments	\$ 3,806,943	\$ 37,574,844	\$ 37,188,365	\$ 4,193,422
Accounts receivable	-	727	285	442
<b>Total assets</b>	<u>\$ 3,806,943</u>	<u>\$ 37,575,571</u>	<u>\$ 37,188,650</u>	<u>\$ 4,193,864</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,684	\$ 762,755	\$ 757,663	\$ 6,776
Due to other funds	-	13,659	13,585	74
Due to other governments	3,787,155	38,205,607	37,840,312	4,152,450
Escrow deposits	18,104	17,743	1,283	34,564
<b>Total liabilities</b>	<u>\$ 3,806,943</u>	<u>\$ 38,999,764</u>	<u>\$ 38,612,843</u>	<u>\$ 4,193,864</u>

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# PLAINFIELD CHARTER TOWNSHIP

## COMPONENT UNITS

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The *Downtown Development Authority (DDA) Fund* accounts for tax revenue “captured” in the DDA district. These funds are used to fund various projects and improvements as well as the repayment of debt incurred for projects in the DDA.

The *Plainfield Avenue Corridor Improvement Authority (PACIA)* accounts for “captured” tax revenue in the PACIA districts. The “captured” tax revenue is used for further development in the district.

**PLAINFIELD CHARTER TOWNSHIP**  
**DOWNTOWN DEVELOPMENT AUTHORITY**  
**COMBINING BALANCE SHEET/STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

	<u>Governmental</u> <u>Fund Type</u>		<u>Statement</u> <u>of</u>
	<u>General</u>	<u>Adjustments</u>	<u>Net Assets</u>
	<u>Fund</u>		
<b>Assets</b>			
Cash and pooled investments	\$ 365,643	\$ -	\$ 365,643
Taxes receivable	67,538	-	67,538
Prepaid items	2,367	-	2,367
Depreciable capital assets, net	<u>-</u>	<u>904,614</u>	<u>904,614</u>
<b>Total assets</b>	<b><u>\$ 435,548</u></b>	<b><u>904,614</u></b>	<b><u>1,340,162</u></b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,358	\$ -	\$ 1,358
Deferred revenue	<u>67,538</u>	<u>-</u>	<u>67,538</u>
<b>Total liabilities</b>	<u>68,896</u>	<u>-</u>	<u>68,896</u>
<b>Fund balances</b>			
Unreserved			
Undesignated	<u>366,652</u>	(366,652)	-
<b>Total liabilities and fund balances</b>	<b><u>\$ 435,548</u></b>		
<b>Net assets</b>			
Invested in capital assets			904,614
Unrestricted			<u>366,652</u>
<b>Total net assets</b>			<b><u>\$ 1,271,266</u></b>

**PLAINFIELD CHARTER TOWNSHIP**

**DOWNTOWN DEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES/STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Governmental Fund Type General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Revenues</b>			
Taxes	\$ 216,420	\$ -	\$ 216,420
Investment earnings	724	-	724
	<u>217,144</u>	<u>-</u>	<u>217,144</u>
 <b>Expenditures</b>			
Current			
Public works	<u>100,172</u>	<u>13,053</u>	<u>113,225</u>
Net changes in fund balances	116,972	<u>(116,972)</u>	-
Change in net assets		103,919	103,919
<b>Fund balances/net assets, beginning of year</b>	<u>249,680</u>		<u>1,167,347</u>
<b>Fund balances/net assets, end of year</b>	<u>\$ 366,652</u>		<u>\$ 1,271,266</u>

**PLAINFIELD CHARTER TOWNSHIP**

**PLAINFIELD AVENUE CORRIDOR IMPROVEMENT AUTHORITY  
COMBINING BALANCE SHEET/STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

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	<b>Governmental Fund Type General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Assets</b>			
Cash and pooled investments	\$ 94,930	\$ -	\$ 94,930
Taxes receivable	<u>7,766</u>	<u>-</u>	<u>7,766</u>
<b>Total assets</b>	<u>\$ 102,696</u>	<u>-</u>	<u>102,696</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Deferred revenue	\$ 7,766	\$ -	\$ 7,766
<b>Fund balances</b>			
Unreserved			
Undesignated	<u>94,930</u>	(94,930)	-
<b>Total liabilities and fund balances</b>	<u>\$ 102,696</u>		
<b>Net assets</b>			
Unrestricted			<u>\$ 94,930</u>

**PLAINFIELD CHARTER TOWNSHIP**

**PLAINFIELD AVENUE CORRIDOR IMPROVEMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES/STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Governmental Fund Type General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Revenues</b>			
Taxes	\$ 32,043	\$ -	\$ 32,043
Investment earnings	323	-	323
	<u>32,366</u>	<u>-</u>	<u>32,366</u>
 <b>Expenditures</b>			
Current			
Public works	500	-	500
Net changes in fund balances	31,866	<u>(31,866)</u>	-
Change in net assets		31,866	31,866
<b>Fund balances/net assets, beginning of year</b>	<u>63,064</u>		<u>63,064</u>
<b>Fund balances/net assets, end of year</b>	<u>\$ 94,930</u>		<u>\$ 94,930</u>

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## **STATISTICAL SECTION**

# PLAINFIELD CHARTER TOWNSHIP

## STATISTICAL SECTION

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This part of Plainfield Charter Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the township's overall financial health.

### Contents

### Page

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the township's financial performance and well-being have changed over time.

69-75

#### **Revenue Capacity**

These schedules contain information to help the reader assess the township's most significant local revenue source, the property tax.

77-83

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the township's current levels of outstanding debt and the township's ability to issue additional debt in the future.

84-90

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment in which the township's financial activities take place.

91-92

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the township's financial report relates to the services the township provides and the activities it performs.

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**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Township implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.*

**PLAINFIELD CHARTER TOWNSHIP**  
**Net Assets By Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Fiscal Year 2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:										
Investment in capital assets, net of related debt	\$ 2,702,221	\$ 6,041,038	\$ 6,642,605	\$ 7,006,368	\$ 7,623,164	\$ 7,458,863	\$ 7,891,387	\$ 7,814,219	\$ 8,367,491	\$ 8,762,915
Restricted	167,550	943,236	244,898	279,569	159,418	116,681	8,694	14,151	13,894	14,263
Unrestricted	4,909,074	2,283,642	2,633,361	2,730,471	2,853,812	3,526,034	2,817,098	2,472,934	2,190,277	1,877,252
Total governmental activities net assets	<u>\$ 7,778,845</u>	<u>\$ 9,267,916</u>	<u>\$ 9,520,864</u>	<u>\$ 10,016,408</u>	<u>\$ 10,636,394</u>	<u>\$ 11,101,578</u>	<u>\$ 10,717,179</u>	<u>\$ 10,301,304</u>	<u>\$ 10,571,662</u>	<u>\$ 10,654,430</u>
Business-type activities:										
Investment in capital assets, net of related debt	\$ 30,347,067	\$ 28,898,485	\$ 31,062,249	\$ 36,029,685	\$ 39,524,764	\$ 43,257,714	\$ 47,389,538	\$ 48,670,034	\$ 49,368,528	\$ 49,922,253
Restricted	1,691,911	968,615	1,188,015	1,090,135	1,101,330	980,292	807,375	799,079	755,121	187,333
Unrestricted	10,072,796	15,319,466	16,217,453	14,164,126	13,244,791	11,130,981	7,909,628	7,368,998	7,279,973	7,799,378
Total business-type activities net assets	<u>\$ 42,111,774</u>	<u>\$ 45,186,566</u>	<u>\$ 48,467,717</u>	<u>\$ 51,283,946</u>	<u>\$ 53,870,885</u>	<u>\$ 55,368,987</u>	<u>\$ 56,106,541</u>	<u>\$ 56,838,111</u>	<u>\$ 57,403,622</u>	<u>\$ 57,908,964</u>
Primary government:										
Investment in capital assets, net of related debt	\$ 33,049,288	\$ 34,939,523	\$ 37,704,854	\$ 43,036,053	\$ 47,147,928	\$ 50,716,577	\$ 55,280,925	\$ 56,484,253	\$ 57,736,019	\$ 58,685,168
Restricted	1,859,461	1,911,851	1,432,913	1,369,704	1,260,748	1,096,973	816,069	813,230	769,015	201,596
Unrestricted	14,981,870	17,603,108	18,850,814	16,894,597	16,098,603	14,657,015	10,726,726	9,841,932	9,470,250	9,676,630
Total primary government net assets	<u>\$ 49,890,619</u>	<u>\$ 54,454,482</u>	<u>\$ 57,988,581</u>	<u>\$ 61,300,354</u>	<u>\$ 64,507,279</u>	<u>\$ 66,470,565</u>	<u>\$ 66,823,720</u>	<u>\$ 67,139,415</u>	<u>\$ 67,975,284</u>	<u>\$ 68,563,394</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,763,377	\$ 2,512,621	\$ 2,687,754	\$ 2,601,296	\$ 2,631,763	\$ 2,709,788	\$ 3,257,026	\$ 3,241,580	\$ 3,067,553	\$ 3,610,149
Public safety	3,078,267	2,919,788	2,898,776	2,982,464	3,192,723	3,502,709	3,477,692	3,393,624	3,199,757	3,453,294
Public works	507,738	373,825	443,774	604,465	448,153	303,941	568,743	480,644	423,889	489,574
Recreation and cultural	625,271	553,330	416,544	516,584	642,252	718,249	596,078	633,249	563,324	549,939
Interest on debt	32,549	135,393	134,345	122,574	113,992	124,723	110,979	89,523	67,567	45,828
Total governmental activities	<u>8,007,202</u>	<u>6,494,957</u>	<u>6,581,193</u>	<u>6,827,383</u>	<u>7,028,883</u>	<u>7,359,410</u>	<u>8,010,518</u>	<u>7,838,620</u>	<u>7,322,090</u>	<u>8,148,784</u>
Business-type activities:										
Sewer utility	2,313,961	2,330,591	2,351,971	2,503,299	2,872,792	3,779,500	3,902,358	4,319,756	4,472,602	4,318,730
Water utility	3,314,249	3,441,189	3,717,555	3,946,987	4,258,453	4,573,806	5,430,764	4,955,786	4,643,681	4,903,753
Total business-type activities	<u>5,628,210</u>	<u>5,771,780</u>	<u>6,069,526</u>	<u>6,450,286</u>	<u>7,131,245</u>	<u>8,353,306</u>	<u>9,333,122</u>	<u>9,275,542</u>	<u>9,116,283</u>	<u>9,222,483</u>
Total primary government expenses	<u>\$ 13,635,412</u>	<u>\$ 12,266,737</u>	<u>\$ 12,650,719</u>	<u>\$ 13,277,669</u>	<u>\$ 14,160,128</u>	<u>\$ 15,712,716</u>	<u>\$ 17,343,640</u>	<u>\$ 17,114,162</u>	<u>\$ 16,438,373</u>	<u>\$ 17,371,267</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 670,628	\$ 711,684	\$ 870,484	\$ 924,886	\$ 1,149,292	\$ 1,097,052	\$ 1,053,993	\$ 1,126,303	\$ 1,064,272	\$ 1,055,019
Public safety	313,444	441,564	450,151	524,083	293,486	340,914	194,431	143,679	193,004	200,153
Public works	-	-	-	-	157,793	166,987	167,090	165,327	168,372	169,821
Recreation and cultural	71,314	64,813	47,095	63,026	33,222	38,181	57,320	35,615	37,875	44,275
Operating grants and contributions	217,986	136,881	154,278	172,598	78,462	13,700	2,500	-	295,325	121,953
Capital grants and contributions	31,192	21,499	32,063	267,289	182,479	76,376	78,437	106,502	52,602	691,220
Total governmental activities	<u>1,304,564</u>	<u>1,376,441</u>	<u>1,554,071</u>	<u>1,951,882</u>	<u>1,894,734</u>	<u>1,733,210</u>	<u>1,553,771</u>	<u>1,577,426</u>	<u>1,811,450</u>	<u>2,282,441</u>
Business-type activities:										
Charges for services:										
Sewer utility	3,032,868	2,962,921	3,232,060	2,420,500	2,844,555	3,360,595	3,985,692	3,759,167	3,999,822	4,416,348
Water utility	4,046,154	4,991,311	4,805,664	5,022,316	4,934,264	5,271,735	4,913,441	4,799,958	4,871,734	4,900,467
Operating grants and contributions	-	-	-	-	-	-	-	8,299	16,152	-
Capital grants and contributions	178,400	683,099	1,071,358	1,331,440	1,306,074	644,410	731,104	717,210	665,179	303,270
Total business-type activities	<u>7,257,422</u>	<u>8,637,331</u>	<u>9,109,082</u>	<u>8,774,256</u>	<u>9,084,893</u>	<u>9,276,740</u>	<u>9,630,237</u>	<u>9,284,634</u>	<u>9,552,887</u>	<u>9,620,085</u>
Total primary government program revenues	<u>\$ 8,561,986</u>	<u>\$ 10,013,772</u>	<u>\$ 10,663,153</u>	<u>\$ 10,726,138</u>	<u>\$ 10,979,627</u>	<u>\$ 11,009,950</u>	<u>\$ 11,184,008</u>	<u>\$ 10,862,060</u>	<u>\$ 11,364,337</u>	<u>\$ 11,902,526</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (6,702,638)	\$ (5,118,516)	\$ (5,027,122)	\$ (4,875,501)	\$ (5,134,149)	\$ (5,626,200)	\$ (6,456,747)	\$ (6,261,194)	\$ (5,510,640)	\$ (5,866,343)
Business-type activities	1,629,212	2,865,551	3,039,556	2,323,970	1,953,648	923,434	297,115	9,092	436,604	397,602
Total primary government net (expense) revenue	<u>\$ (5,073,426)</u>	<u>\$ (2,252,965)</u>	<u>\$ (1,987,566)</u>	<u>\$ (2,551,531)</u>	<u>\$ (3,180,501)</u>	<u>\$ (4,702,766)</u>	<u>\$ (6,159,632)</u>	<u>\$ (6,252,102)</u>	<u>\$ (5,074,036)</u>	<u>\$ (5,468,741)</u>

(Continued)

**General Revenues and Other Changes in Net Asset:**

**PLAINFIELD CHARTER TOWNSHIP**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Property taxes	\$ 2,184,432	\$ 2,295,544	\$ 2,954,135	\$ 3,106,988	\$ 3,321,943	\$ 3,549,477	\$ 3,717,398	\$ 3,773,232	\$ 3,776,610	\$ 3,665,989
State shared revenue	2,522,899	2,276,232	2,201,220	2,155,946	2,156,261	2,181,249	2,120,047	1,875,353	1,963,636	2,250,554
Federal sources	-	65,262	-	-	-	-	-	-	-	-
Investment earnings	111,707	143,054	115,674	104,460	289,309	307,605	234,383	60,331	31,099	30,098
Gain (loss) on sale of capital assets	42,394	2,706	9,041	28,651	(13,378)	53,053	520	136,403	9,653	2,470
Transfers - internal activities	(75,000)	(25,000)	-	(25,000)	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>4,786,432</b>	<b>4,757,798</b>	<b>5,280,070</b>	<b>5,371,045</b>	<b>5,754,135</b>	<b>6,091,384</b>	<b>6,072,348</b>	<b>5,845,319</b>	<b>5,780,998</b>	<b>5,949,111</b>
Business-type activities:										
Investment earnings	217,586	184,241	241,595	467,259	633,291	574,668	437,389	192,802	128,202	107,740
Gain (loss) on sale of capital assets	-	-	-	-	-	-	3,050	24,000	705	-
Transfers - internal activities	75,000	25,000	-	25,000	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>292,586</b>	<b>209,241</b>	<b>241,595</b>	<b>492,259</b>	<b>633,291</b>	<b>574,668</b>	<b>440,439</b>	<b>216,802</b>	<b>128,907</b>	<b>107,740</b>
<b>Total primary government</b>	<b>\$ 5,079,018</b>	<b>\$ 4,967,039</b>	<b>\$ 5,521,665</b>	<b>\$ 5,863,304</b>	<b>\$ 6,387,426</b>	<b>\$ 6,666,052</b>	<b>\$ 6,512,787</b>	<b>\$ 6,062,121</b>	<b>\$ 5,909,905</b>	<b>\$ 6,056,851</b>
<b>Changes in Net Assets</b>										
Governmental activities	\$ (1,916,206)	\$ (360,718)	\$ 252,948	\$ 495,544	\$ 619,986	\$ 465,184	\$ (384,399)	\$ (415,875)	\$ 270,358	\$ 82,768
Business-type activities	1,921,798	3,074,792	3,281,151	2,816,229	2,586,939	1,498,102	737,554	225,894	565,511	505,342
<b>Total primary government</b>	<b>\$ 5,592</b>	<b>\$ 2,714,074</b>	<b>\$ 3,534,099</b>	<b>\$ 3,311,773</b>	<b>\$ 3,206,925</b>	<b>\$ 1,963,286</b>	<b>\$ 353,155</b>	<b>\$ 189,981</b>	<b>\$ 835,869</b>	<b>\$ 588,110</b>

(Concluded)

**PLAINFIELD CHARTER TOWNSHIP**  
**Fund Balances, Governmental Fund**  
**Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund:				
Unreserved - designated	\$ 303,984	\$ 302,081	\$ 288,624	\$ 110,156
Unreserved - undesignated	1,610,222	1,573,204	1,898,594	2,177,486
Non-spendable				
Prepaid items	-	-	-	-
Committed				
Special assessment projects	-	-	-	-
Retiree health insurance	-	-	-	-
Fire department	-	-	-	-
Assigned				
Future years expenditures	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 1,914,206</u>	<u>\$ 1,875,285</u>	<u>\$ 2,187,218</u>	<u>\$ 2,287,642</u>
All Other Governmental Funds:				
Reserved	\$ 167,196	\$ 201,318	\$ 239,532	\$ 279,569
Unreserved, reported in				
Special revenue funds	557,083	512,757	532,214	597,739
Capital projects funds	2,537,917	748,634	5,366	-
Non-spendable				
Prepaid items	-	-	-	-
Restricted				
Building department	-	-	-	-
Lighting district	-	-	-	-
Lake improvement	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Stormwater management	-	-	-	-
Total all other governmental funds	<u>\$ 3,262,196</u>	<u>\$ 1,462,709</u>	<u>\$ 777,112</u>	<u>\$ 877,308</u>

The year 2011 reflects the implementation of GASB Statement No. 54.

<b>Fiscal Year</b>					
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$ 240,733	\$ 414,601	\$ 769,098	\$ 810,738	\$ 906,223	\$ -
2,170,899	2,644,868	1,748,443	1,620,369	1,587,533	-
-	-	-	-	-	103,146
-	-	-	-	-	434,814
-	-	-	-	-	44,000
-	-	-	-	-	1,594
-	-	-	-	-	75,379
-	-	-	-	-	1,852,593
<u>\$ 2,411,632</u>	<u>\$ 3,059,469</u>	<u>\$ 2,517,541</u>	<u>\$ 2,431,107</u>	<u>\$ 2,493,756</u>	<u>\$ 2,511,526</u>
\$ 159,418	\$ 116,682	\$ 8,694	\$ 14,151	\$ 13,894	\$ -
617,930	647,195	673,831	681,625	655,285	-
-	-	-	-	-	-
-	-	-	-	-	821
-	-	-	-	-	1,035
-	-	-	-	-	386
-	-	-	-	-	12,842
-	-	-	-	-	262,297
-	-	-	-	-	182,345
<u>\$ 777,348</u>	<u>\$ 763,877</u>	<u>\$ 682,525</u>	<u>\$ 695,776</u>	<u>\$ 669,179</u>	<u>\$ 459,726</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Changes In Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Revenues</b>				
Taxes	\$ 2,273,213	\$ 2,302,259	\$ 2,929,086	\$ 3,244,383
Licenses and permits	300,945	236,549	300,645	314,272
Intergovernmental:				
Federal	-	65,262	-	-
State	2,522,899	2,276,232	2,201,220	2,173,609
Local	-	-	-	-
Charges for services	470,403	648,858	642,853	673,150
Fines and forfeitures	1,364	2,559	1,083	776
Interest and rentals	111,707	143,054	115,674	138,462
Other	586,585	491,181	618,531	607,649
	<u>6,267,116</u>	<u>6,165,954</u>	<u>6,809,092</u>	<u>7,152,301</u>
<b>Expenditures</b>				
Legislative	26,039	19,461	20,952	22,060
General government	3,308,494	2,209,516	2,319,272	2,342,457
Public safety	2,730,077	2,738,536	2,645,427	2,912,997
Public works	398,812	373,825	404,989	604,465
Recreation and culture	441,515	449,109	380,138	398,654
Other expenditures	95,073	120,320	121,302	131,510
Capital outlay	1,395,544	1,891,451	774,411	-
Debt service				
Principal	45,000	45,000	380,000	390,000
Interest	14,843	132,144	136,265	124,538
	<u>8,455,397</u>	<u>7,979,362</u>	<u>7,182,756</u>	<u>6,926,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,188,281)</u>	<u>(1,813,408)</u>	<u>(373,664)</u>	<u>225,620</u>
<b>Other Financing Sources (Uses)</b>				
Loan/lease proceeds	-	-	-	-
Transfers in	306,569	128,216	30,000	56,366
Transfers out	(381,569)	(153,216)	(30,000)	(81,366)
Bonds issued	3,900,000	-	-	-
	<u>3,825,000</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
Net changes in fund balances	<u>\$ 1,636,719</u>	<u>\$(1,838,408)</u>	<u>\$ (373,664)</u>	<u>\$ 200,620</u>
Debt service as a percentage of noncapital expenditures	0.85%	2.91%	7.96%	7.55%

<b>Fiscal Year 2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$ 3,321,943	\$ 3,549,477	\$ 3,715,517	\$ 3,771,758	\$ 3,775,392	\$ 3,665,795
307,747	304,567	336,393	421,851	435,780	444,813
78,462	13,700	2,500	-	294,407	407,270
2,156,261	2,181,249	2,120,047	1,875,353	1,963,636	2,629,736
290	340	240	400	90	-
527,847	586,281	429,686	374,627	412,475	432,482
1,083	4,028	3,336	3,541	3,629	3,528
322,994	341,290	257,814	69,491	34,979	33,449
945,620	827,703	848,899	938,203	723,892	639,349
<u>7,662,247</u>	<u>7,808,635</u>	<u>7,714,432</u>	<u>7,455,224</u>	<u>7,644,280</u>	<u>8,256,422</u>
21,036	26,900	25,124	26,583	20,288	21,412
2,981,401	2,526,387	2,651,423	2,628,507	2,630,644	3,207,762
3,159,541	3,666,490	3,767,427	3,095,824	3,198,732	3,093,496
385,341	324,881	568,743	480,644	470,800	492,043
526,548	605,636	534,494	489,947	437,314	1,010,510
132,416	128,358	127,436	152,708	196,500	-
-	-	-	-	-	-
428,194	513,773	548,848	560,162	581,717	572,684
114,540	120,264	114,217	94,032	72,233	50,198
<u>7,749,017</u>	<u>7,912,689</u>	<u>8,337,712</u>	<u>7,528,407</u>	<u>7,608,228</u>	<u>8,448,105</u>
<u>(86,770)</u>	<u>(104,054)</u>	<u>(623,280)</u>	<u>(73,183)</u>	<u>36,052</u>	<u>(191,683)</u>
110,800	738,420	-	-	-	-
65,804	59,750	36,000	124,950	116,564	324,100
(65,804)	(59,750)	(36,000)	(124,950)	(116,564)	(324,100)
-	-	-	-	-	-
<u>110,800</u>	<u>738,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 24,030</u>	<u>\$ 634,366</u>	<u>\$ (623,280)</u>	<u>\$ (73,183)</u>	<u>\$ 36,052</u>	<u>\$ (191,683)</u>
7.85%	8.62%	8.68%	8.75%	9.27%	7.89%

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**PLAINFIELD CHARTER TOWNSHIP**  
**Tax Revenues By Source, Governmental Fund**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

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<u>Year Ended December 31</u>	<u>General Property Taxes</u>
2002	\$ 2,273,213
2003	2,302,259
2004	2,929,086
2005	3,244,383
2006	3,321,943
2007	3,549,477
2008	3,715,517
2009	3,771,758
2010	3,775,392
2011	3,665,795

**PLAINFIELD CHARTER TOWNSHIP**  
**State Equalized Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ending</b>	<b>Real Property</b>			<b>Personal Property</b>	
	<b>*State Equalized Value</b>	<b>Taxable Value</b>	<b>Estimated Actual Value</b>	<b>*State Equalized Value</b>	<b>Taxable Value</b>
2002	\$ 833,150,700	\$ 737,905,867	\$ 1,666,301,400	\$ 66,711,100	\$ 66,700,972
2003	900,230,200	798,369,051	1,800,460,400	68,547,700	68,536,800
2004	968,497,500	836,898,913	1,936,995,000	67,366,300	67,366,300
2005	1,023,022,500	893,113,655	2,046,045,000	73,963,100	75,222,315
2006	1,106,601,200	959,538,995	2,213,202,400	78,635,800	78,635,800
2007	1,176,557,900	1,031,332,923	2,353,115,800	76,471,600	76,471,600
2008	1,224,438,698	1,084,390,437	2,448,877,396	74,609,900	74,609,900
2009	1,216,792,800	1,103,430,555	2,433,585,600	77,124,500	77,124,500
2010	1,188,406,400	1,108,176,104	2,376,812,800	75,809,100	75,809,100
2011	1,134,170,100	1,073,842,907	2,268,340,200	75,893,800	75,895,700

Source: Plainfield Charter Township Assessor

The township's millage rate is currently limited to 5 mills for operations.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1772 mills for 2011.

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<b>Total</b>				
<b>Estimated Actual Value</b>	<b>*State Equalized Value</b>	<b>Taxable Value</b>	<b>Estimated Actual Value</b>	<b>Tax Rate Mills</b>
\$ 133,422,200	\$ 899,861,800	\$ 804,606,839	\$ 1,799,723,600	2.8500
137,095,400	968,777,900	866,905,851	1,937,555,800	2.8000
134,732,600	1,035,863,800	904,265,213	2,071,727,600	3.3100
147,926,200	1,096,985,600	968,335,970	2,193,971,200	3.2900
157,271,600	1,185,237,000	1,038,174,795	2,370,474,000	3.2900
152,943,200	1,253,029,500	1,107,804,523	2,506,059,000	3.2900
149,219,800	1,299,048,598	1,159,000,337	2,598,097,196	3.2900
154,249,000	1,293,917,300	1,180,555,055	2,587,834,600	3.2900
151,618,200	1,264,215,500	1,183,985,204	2,528,431,000	3.2900
151,787,600	1,210,063,900	1,149,738,607	2,420,127,800	3.2900

**PLAINFIELD CHARTER TOWNSHIP**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1,000 of Taxable Value)**  
**Last Ten Fiscal Years**

<u>Year of Levy</u>	<u>Township Direct Rate</u>	<u>Kent County</u>	<u>Kent District Library</u>	<u>State Education Tax</u>	<u>Kent Intermediate School District</u>	<u>Grand Rapids Community College</u>
2002 Homestead	2.8000	5.3140	0.8769	6.0000	3.8192	1.8000
Non Homestead	2.8000	5.3140	0.8769	6.0000	3.8192	1.8000
2003 Homestead	3.3100	5.3140	0.8710	5.0000	3.7903	1.7865
Non Homestead	3.3100	5.3140	0.8710	5.0000	3.7903	1.7865
2004 Homestead	3.2900	5.3140	0.8800	6.0000	4.5333	1.7865
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.5333	1.7865
2005 Homestead	3.2900	5.3140	0.8800	6.0000	4.6453	1.7865
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.6453	1.7865
2006 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
2007 Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
2008 Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
2009 Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
2010 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
2011 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865

Source: Plainfield Charter Township Treasurer  
The township's millage rate is currently limited to 5 mills for operations.  
The township's millage rate is exclusively for operating.  
The maximum allowable millage rate after Headlee Rollback Reduction is 4.1772 mills for 2011.

School Districts				Total For Residents Of			
Rockford School District	Northview School District	Kenowa Hills School District	Comstock Park School District	Rockford School District	Northview School District	Kenowa Hills School District	Comstock Park School District
8.5000	8.2312	3.6000	8.1620	29.1101	28.8413	24.2101	28.7721
26.5000	26.2312	21.6000	26.1620	47.1101	46.8413	42.2101	46.7721
8.5000	8.2186	3.6000	8.1620	28.5718	28.2904	23.6718	28.2338
26.5000	26.2186	21.6000	26.1620	46.5718	46.2904	41.6718	46.2338
9.5000	8.9572	3.6000	8.1620	31.3038	30.7610	25.4038	29.9658
27.5000	26.9572	21.6000	26.1620	49.3038	48.7610	43.4038	47.9658
9.4949	8.9572	3.3600	9.1621	31.4107	30.8730	25.2758	31.0779
27.4949	26.9572	21.3600	27.1621	49.4107	48.8730	43.2758	49.0779
9.4949	6.2056	3.3600	9.1620	31.5357	28.2464	25.4008	31.2028
27.4949	24.2056	21.3600	27.1620	49.5357	46.2464	43.4008	49.2028
9.4817	6.2056	3.3600	9.1578	31.9325	28.6564	25.8108	31.6086
27.4817	24.2056	21.3600	27.1578	49.9325	46.6564	43.8108	49.6086
9.4881	5.2256	3.3600	9.1604	31.9389	27.6764	25.8108	31.6112
27.4881	23.2256	21.3600	27.1604	49.9389	45.6764	43.8108	49.6112
9.4881	5.2256	3.3600	9.1604	31.9389	27.6764	25.8108	31.6112
27.4881	23.2256	21.3600	27.1604	49.9389	45.6764	43.8108	49.6112
9.4882	5.2256	2.9700	9.1604	31.5290	27.2664	25.0108	31.2012
27.4882	23.2256	20.9700	27.1604	49.5290	45.2664	43.0108	49.2012
9.4881	5.2256	2.9700	10.1604	31.5289	27.2664	25.0108	32.2012
27.4881	23.2256	20.9700	28.1604	49.5289	45.2664	43.0108	50.2012

**PLAINFIELD CHARTER TOWNSHIP**  
**Principal Property Taxpayers**  
**Current year and ten years ago**

Taxpayer	Type of Business	2011			2001		
		Taxable Value	Rank	Percent of Total Twp. Taxable Value	Taxable Value	Rank	Percent of Total Twp. Taxable Value
Consumers Energy Co.	Utility	\$ 11,838,868	1	1.03%	\$ 8,763,176	1	1.17%
Wynalda Litho, Inc.	Manufacturing	11,499,700	2	1.00%	6,833,221	3	0.91%
Northern/Woodland Estates	Mobile Home Park	7,538,033	3	0.66%			
Meijer Inc.	Retailer	7,100,600	4	0.62%	3,768,300	7	0.50%
West Michigan Baseball	Sports Complex	6,914,523	5	0.60%	5,064,250	5	0.68%
Gill Industries Inc.	Manufacturing	6,329,800	6	0.55%	7,926,989	2	1.06%
Nucraft Furniture	Manufacturing	5,575,262	7	0.48%	3,207,512	9	0.43%
Northview Harbor Ltd	Apartments	5,274,471	8	0.46%			
Michigan Consolidated Gas Co.	Utility	5,127,600	9	0.45%	5,439,900	4	0.73%
Jackson Products	Manufacturing	4,797,900	10	0.42%			
Regency Windsor North	Apartments			0.00%	4,873,140	6	0.65%
Hidden Valley Apartments	Apartments			0.00%	3,611,536	8	0.48%
Franklin Mill Associates LTD	Apartments			0.00%	3,064,908	10	0.41%
Ten Largest Taxpayers		71,996,757		6.26%	52,552,932		7.03%
Other Taxpayers		1,077,741,850			695,488,992		
Total Taxable Value		<u>\$1,149,738,607</u>			<u>\$748,041,924</u>		

Source: Plainfield Charter Township Assessor

**PLAINFIELD CHARTER TOWNSHIP**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Year Ended December 31</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections Total Levy</b>
2002	\$ 2,198,923	\$ 2,187,010	99.46	\$ 2,361	\$ 2,189,371	99.57
2003	2,363,940	2,349,574	99.39	3,234	2,352,808	99.53
2004	2,932,668	2,901,132	98.92	7,126	2,908,257	99.17
2005	3,124,825	3,044,214	97.42	7,891	3,052,105	97.67
2006	3,281,440	3,253,367	99.14	9,356	3,262,723	99.43
2007	3,498,491	3,490,155	99.76	8,051	3,498,206	99.99
2008	3,689,424	3,644,897	98.79	19,954	3,664,851	99.33
2009	3,751,844	3,737,100	99.61	6,821	3,743,921	99.79
2010	3,753,352	3,742,219	99.70	6,117	3,748,336	99.87
2011	3,652,591	3,632,188	99.44	-	3,632,188	99.44

Source: Plainfield Charter Township Treasurer

**PLAINFIELD CHARTER TOWNSHIP**  
**Ratios Of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

<u>Year Ended December 31</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>
	<u>Installment Purchase Agreements</u>	<u>General Obligation Bonds</u>	<u>Sewer Bonds</u>	<u>Water Bonds</u>	
2002	\$ 255,000	\$ -	\$ 3,662,794	\$ 8,900,000	\$ 12,817,794
2003	210,000	3,900,000	3,471,698	13,250,000	20,831,698
2004	160,000	3,570,000	3,267,863	12,515,000	19,512,863
2005	110,000	3,230,000	3,060,157	11,625,000	18,025,157
2006	83,466	2,880,000	2,844,712	10,690,000	16,498,178
2007	732,253	2,515,000	2,616,527	9,715,000	15,578,780
2008	563,404	2,135,000	2,376,735	8,835,000	13,910,139
2009	393,243	1,745,000	2,129,199	7,925,000	12,192,442
2010	221,526	1,335,000	1,870,055	6,975,000	10,401,581
2011	73,842	910,000	1,652,430	5,497,000 2	8,133,272

Plainfield Charter Township participates in the North Kent Sewer Authority, a joint venture as defined by GASB Statement #14. The purpose of the Authority is to construct and maintain sewage transportation infrastructure. The Authority has also just constructed a wastewater treatment plant. The Township pays the Authority based on its share of sewage flow through the system to cover debt service, maintenance, and administration of the Authority. The most recent allocation of outstanding debt based on flow through the system indicated debt attributable to Plainfield Charter Township of:

NKSA Bonds Series 2007	\$ 2,691,752
NKSA Bonds Series 2006	17,237,598
NKSA Bonds Series 2005	3,580,386
NKSA Bonds dated September 12, 2001 (Limited Tax)	2,063,835
NKSA Bonds dated June 1, 1998 (Unfixed Portion)	219,788

This debt has been excluded from Plainfield Charter Township financial statements because principal and interest payments are based upon Township's portion of sewage flow through the system, and the Township does not have an equity interest in the joint venture.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Townshi

Source: U.S. Census Department (population) see demographic and economic statistics schedule for detai

Source: U.S. Department of Labor (per capital income). Based upon 2009 information (latest available

See demographic and economic statistical schedule for detail

1. Township population is 30,195 for 2001 - 2009. Population is 30,952 for 2010 - 2011.

2. Above debt of the water fund does not include the 2011 capital improvement bonds since the final amount of the bonds has not yet been determined.

---

<b>Percentage of Personal Income</b>	<b>Net Bonded Debt Per Capita<sup>1</sup></b>
1.37%	\$ 425
2.16%	690
1.92%	646
1.70%	597
1.49%	546
1.40%	516
1.24%	461
1.14%	404
N/A	336
N/A	263

**PLAINFIELD CHARTER TOWNSHIP**  
**Ratios Of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Year Ended December 31</b>	<b>Estimated Population</b>	<b>State Equalized Valuation</b>	<b>General Obligation Debt</b>	<b>Percentage of Estimated Actual Value of Taxable Property</b>	<b>Per Capita</b>
2002	30,968	\$899,861,800	\$ 255,000	0.03%	\$ 8
2003	31,111	968,777,900	4,110,000	0.42%	132
2004	31,336	1,035,863,800	3,730,000	0.36%	119
2005	31,587	1,096,985,600	3,340,000	0.30%	106
2006	31,917	1,185,237,000	2,963,466	0.25%	93
2007	32,058	1,253,029,500	3,201,761	0.26%	100
2008	32,057	1,299,048,598	2,667,292	0.21%	83
2009	31,920	1,293,917,300	2,122,280	0.16%	66
2010	30,952	<sup>1</sup> 1,264,215,500	1,556,526	0.12%	49
2011	N/A	1,210,063,900	983,842	0.08%	32 <sup>2</sup>

General Obligation debt in this table represent only that debt serviced from property tax revenues. There is one other General Obligation bond issue that is serviced from Water Revenues that is not included here.

Source: Plainfield Charter Township Assessor (State Equalized Valuation)

Source: U.S. Census Department (Population)

<sup>1</sup> 2010 Census

<sup>2</sup> Based on 2010 Population

**PLAINFIELD CHARTER TOWNSHIP**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2011**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Township</u>	<u>Township's Share of Debt</u>
Direct:			
Plainfield Charter Township	\$ 983,842 (1)	100.00 %	\$ 983,842
Overlapping (2):			
Kent County	184,820,000	5.49	10,146,618
Grand Rapids Community College	48,885,000	5.33	2,605,571
Rockford School District	110,760,000	25.81	28,587,156
Northview School District	12,200,000	87.94	10,728,680
Comstock Park School District	67,010,720	56.35	37,760,541
Kenowa Hills School District	39,345,000	0.14	55,083
Total Overlapping Debt			<u>89,883,648</u>
Total Direct and Overlapping Debt			<u><u>\$90,867,490</u></u>

- (1) Excluding general obligation limited tax and revenue bonds reported in the enterprise funds  
(2) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of Plainfield Charter Township are liable in addition to debt issued by Plainfield Charter Township.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township

**PLAINFIELD CHARTER TOWNSHIP**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt Limit	\$ 96,898,240	\$ 96,898,240	\$ 103,606,830	\$ 109,698,560
Net General Obligation Debt Subject to Limitation	<u>255,000</u>	<u>9,110,000</u>	<u>8,555,000</u>	<u>7,985,000</u>
Legal Debt Margin	<u>\$ 96,643,240</u>	<u>\$ 87,788,240</u>	<u>\$ 95,051,830</u>	<u>\$ 101,713,560</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.26%	9.40%	8.26%	7.28%

**Legal Debt Margin Calculation for Fiscal Year 2011**

State Equalized Valuation	<u>\$ 1,210,063,900</u>
Debt Limit - 10% of State Equalized Value	\$ 121,006,390
Debt Outstanding	\$ 8,133,272
Less: Exempt Debt	<u>3,694,430</u>
Net General Obligation Debt Subject to Limitation	<u>4,438,842</u>
Legal Debt Margin	<u>\$ 116,567,548</u>

State law limits the amount of township general obligation debt to 10% of state equalized value.  
(1) Includes the State Equalized Valuation of property granted tax abatement under Act 198.

---

<b>Fiscal Year</b>					
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$118,523,700	\$125,302,950	\$129,904,860	\$129,391,730	\$126,421,550	\$121,006,390
<u>7,423,466</u>	<u>7,471,761</u>	<u>6,742,292</u>	<u>5,997,280</u>	<u>5,226,526</u>	<u>4,438,842</u>
<u>\$111,100,234</u>	<u>\$117,831,189</u>	<u>\$123,162,568</u>	<u>\$123,394,450</u>	<u>\$121,195,024</u>	<u>\$116,567,548</u>
6.26%	5.96%	5.19%	4.63%	4.13%	3.67%

**PLAINFIELD CHARTER TOWNSHIP**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

<b>Year Ended December 31</b>	<b>Gross Revenue</b>	<b>Operating Expenses</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2002	\$ 4,088,343	\$ 1,989,491	\$ 2,098,852	\$ 625,000	\$ 448,998	2.0
2003	5,735,019	2,050,738	3,684,281	650,000	464,124	3.3
2004	5,864,212	2,350,497	3,513,715	880,000	437,594	2.7
2005	5,753,969	2,478,478	3,275,491	890,000	439,906	2.5
2006	5,717,742	2,743,940	2,973,802	935,000	405,323	2.2
2007	5,950,718	2,990,314	2,960,404	975,000	369,330	2.2
2008	5,178,103	3,801,149	1,376,954	880,000	344,846	1.1
2009	5,029,772	3,254,798	1,774,974	910,000	315,489	1.4
2010	5,433,167	2,981,335	2,451,832	950,000	283,485	2.0
2011	5,123,525	3,260,471	1,863,054	1,546,000 <sup>1</sup>	239,906	1.0

Water Supply System Revenue and General Obligation Bonds (Serviced by Water Fund)

<sup>1</sup> Includes additional payment of \$561,000 when refunding bonds.

**PLAINFIELD CHARTER TOWNSHIP**  
**Demographic and Economic Statistic**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Per Capita Personal Income<sup>5</sup></u>	<u>Total Personal Income<sup>6</sup></u>	<u>Unemployment Rate<sup>7</sup></u>
2002	30,968 <sup>3</sup>	\$ 30,297	\$ 938,237,496	4.0
2003	31,111 <sup>3</sup>	31,051	966,027,661	4.8
2004	31,336 <sup>3</sup>	32,396	1,015,161,056	4.4
2005	31,587 <sup>3</sup>	33,497	1,058,069,739	3.8
2006	31,917 <sup>3</sup>	34,687	1,107,104,979	3.7
2007	32,058 <sup>3</sup>	34,624	1,109,976,192	3.8
2008	32,057 <sup>3</sup>	34,961	1,120,744,777	4.5
2009	31,920 <sup>3</sup>	33,635	1,073,629,200	7.1
2010	30,952 <sup>2</sup>	N/A <sup>4</sup>	N/A <sup>4</sup>	6.8
2011	N/A <sup>4</sup>	N/A <sup>4</sup>	N/A <sup>4</sup>	5.3

Source: U.S. Department of Labor (per capital income and unemployment rates)

<sup>1</sup> Source: U.S. Census Bureau (population)

<sup>2</sup> 2010 Census

<sup>3</sup> Population estimates, Michigan Labor Market Information (Plainfield Township)

<sup>4</sup> Information not available

<sup>5</sup> Bureau of Economic Analysis, US Dept of Commerce (Kent County)

<sup>6</sup> Calculated (Population x Per Capita Personal Income)

<sup>7</sup> Michigan Labor Market Information, Unemployment Statistics (Plainfield Township)

**PLAINFIELD CHARTER TOWNSHIP**  
**Principal Employers**  
**Current year and ten years ago**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2011</b>			<b>2001</b>		
		<b>Approx. Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Twp. Employment</b>	<b>Approx. Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Twp. Employment</b>
Rockford Public Schools	Education	945	1	6.00%	611	2	3.61%
Northview Public Schools	Education	395	2	2.51%	422	4	2.49%
Meijer, Inc.	Retail	301	3	1.91%	1,082	1	6.39%
Comstock Park Schools	Education	256	4	1.63%	235	7	1.39%
NuCraft Furniture	Manufacturing	230	5	1.46%	258	6	1.52%
Jackson Products	Manufacturing	230	6	1.46%	308	5	1.82%
Gill Industries	Industrial/Manufacturing	222	7	1.41%	440	3	2.60%
Wynalda Litho		153	8	0.97%			
Lowe's	Home Improvement	150	9	0.95%	180	8	1.06%
K&M Northfield Dodge	Auto Sales & Repair	115	10	0.73%			0.00%
Progressive Engineering	Engineering				125	10	
Canteen Services	Vending/Food Services				174	9	1.03%
Ten Largest Employers		2,997		19.03%	3,835		21.92%
Other Employers		12,752			13,090		
Total Employed		15,749			16,925		

Source: Plainfield Township  
Source: State of Michigan Labor Market Information

**PLAINFIELD CHARTER TOWNSHIP**  
**Full-Time Equivalent Township Employees By Function**  
**Last Ten Fiscal Years**

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<b>Function</b>	<b>Fiscal Year</b>									
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General government	34.0	31.8	31.2	30.9	32.7	31.6	32.2	29.2	28.6	27.8
Public safety	21.4	21.1	21.3	25.0	25.3	23.8	24.7	23.9	23.2	24.2
Parks and recreation	3.8	3.1	2.8	2.6	2.9	4.3	3.1	3.2	2.6	3.0
Building inspection	4.0	4.0	4.0	3.5	3.0	2.6	2.1	2.0	1.7	1.9
Water utility	15.8	15.8	17.2	17.0	15.0	17.8	18.5	16.3	17.8	15.7
Total	78.9	75.8	76.5	79.0	78.8	80.2	80.6	74.7	73.9	72.6

Source: Plainfield Charter Township payroll records

**PLAINFIELD CHARTER TOWNSHIP**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government:										
Tax bills issued	12,314	12,423	12,537	12,644	12,798	13,117	14,144	14,231	15,550	15,367
Number of registered voters	20,232	20,500	20,500	21,921	21,898	22,753	23,124	23,163	23,366	23,774
Public Safety - Fire Protection:										
Number of calls answered	1,875	1,907	2,109	2,055	2,104	2,193	2,328	2,264	2,338	2,366
Number of inspections conducted	150	250	350	400	968	511	697	767	591	554
Police Protection: Kent County Sheriff:										
Number of incidents	11,792	11,625	11,234	11,728	11,385	11,811	11,579	10,834	10,798	10,475
Sewer System:										
Number of service connections	6,683	6,874	7,070	7,312	7,471	7,492	7,501	7,623	7,658	7,699
Number of residential equivalency units	11,399	11,738	12,049	12,392	12,757	12,821	12,829	12,980	13,005	13,071
Daily average treatment in gallons - MGD	1.91928	1.60734	1.74523	1.68036	1.75138	1.70417	1.81776	1.91975	1.72526	1.70239
Water System:										
Number of service connections	8,997	9,165	9,374	9,556	9,698	9,728	9,744	9,885	9,933	9,981
Number of residential equivalency units	17,806	17,866	18,232	18,415	18,659	18,713	18,743	18,913	19,226	19,293
Daily average consumption in gallons - MGD	4.1424	3.9822	3.8443	4.2874	4.1341	4.4197	4.2993	3.7438	3.7757	3.4516
Maximum daily capacity of plant in gallons - MGD	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Peak Daily Demand - MGD	10.4	9.8	7.8	10.0	8.7	11.8	9.6	7.7	8.4	7.7

Source: Plainfield Charter Township records

**PLAINFIELD CHARTER TOWNSHIP**  
**Capital Assets Statistics By Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire vehicles	16	16	17	16	16	16	17	15	15	15
Public works:										
Number of trucks	14	15	13	15	16	15	15	15	15	16
Miles of major streets:										
Primary	35.60	35.60	35.60	35.60	35.60	37.74	42.76	42.76	44.20	44.20
Local	126.22	127.30	129.42	131.27	131.64	129.47	124.45	124.45	123.01	122.47
Number of street lights	1,297	1,285	1,295	1,329	1,360	1,361	1,368	1,366	1,366	1,366
Number of cemeteries	2	2	2	2	2	2	2	2	2	2
Culture and recreation:										
Township parks	9	11	11	11	11	11	11	11	11	12
County/State parks	4	5	5	5	5	5	5	5	5	5
Sewer System:										
Miles of sanitary sewers	137	140	145	148	150	155	159	163	163	164
Water System:										
Miles of water mains	201	206	212	215	221	226	230	231	231	240
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of water storage tanks	10	12	13	13	13	13	13	13	13	13
Number of fire hydrants:										
Plainfield Township	1,472	1,548	1,624	1,694	1,803	1,769	1,845	1,853	1,853	1,870
Alpine Township	387	441	448	451	415	477	481	482	482	502
City of Walker	4	4	4	4	4	5	5	6	6	6
Grand Rapids Township	34	36	36	36	38	36	36	36	36	36
Algoma Township	0	27	27	27	27	27	27	28	28	29

Source: Plainfield Charter Township records

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## **SINGLE AUDIT SECTION**



*Vredeveld Haefner LLC*

CPA's and Consultants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 10, 2012

Members of the Board of Trustees  
Plainfield Charter Township  
Kent County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plainfield Charter Township (the Township), as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Township Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Uredaxold Hafner LLC*



*Vredeveld Haefner LLC*

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

May 10, 2012

Members of the Board of Trustees  
Plainfield Charter Township  
Kent County, Michigan

**Compliance**

We have audited the compliance of the Plainfield Charter Township (the Township), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on of it major federal program for the year ended December 31, 2011. The Township's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Township's compliance with those requirements.

In our opinion, the Township, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2011.

**Internal Control Over Compliance**

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Township Board and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

*Uredwald Haefner LLC*

**PLAINFIELD CHARTER TOWNSHIP**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Federal Agency/Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Pass- through Grantor's Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
US Environmental Protection Agency Passed through Michigan Department of Environmental Quality Drinking Water Revolving Funds	66.468	7278-01	\$ 7,750,000	\$ 4,876,785
US Department of Homeland Security Staffing for Adequate Fire and Emergency Response Assistance to Fire Fighters Grant Program	97.083 97.044	EMW-2009-FH-00744 EMW-2009-FO-00649	345,646 50,427	120,103 5,917
Passed through Michigan Department of State Police Hazard Mitigation Grant - Structure Acquisition	97.039	A1777.10	1,124,325	<u>281,250</u>
Total Expenditures of Federal Award				<u>\$ 5,284,055</u>

**Note to Schedule of Expenditures of Federal Awards:**

*Basis of Presentation*

The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

Expenditures on the schedule of expenditures of federal awards may differ from expenditures in the financial statements due to assets purchased with capital grants being capitalized and depreciated over the assets estimated useful lives.

**PLAINFIELD CHARTER TOWNSHIP**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unqualified on financial statements	
Internal controls over financial reporting		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major programs		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, section 510(a)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of Major Programs

CFDA Number

66.468

Name of Federal Program or Cluster

Drinking Water Revolving Fund Loan

Dollar threshold used to distinguish between Type A and B programs

\$300,000

Auditee qualified as low-risk auditee?

yes       no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

N/A